



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2020

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JOHNSTON COMMUNITY SCHOOL DISTRICT**

Johnston, Iowa

Fiscal Year Ended June 30, 2020

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Chief Financial Officer

OFFICE ISSUING REPORT

Business Office

Johnston Community School District
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Johnston Community School District
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Jan Miller-Hook, Chief Financial Officer

Members of the Board of Education and Residents of
Johnston Community School District
Johnston, Iowa

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2020. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Nonprofit Organizations. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's report on internal control over financial reporting and on compliance and other matters, independent auditor's report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance, and a schedule of findings are included in the single audit compliance section of this report.

The 2020 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Compliance. The Introductory Section includes a transmittal letter, the District's organizational chart, a list of District officials, and the 2019 Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association and the Association of School Business Officials.

The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. Management is responsible for preparing a Management's Discussion and Analysis (MD&A). This discussion immediately follows the independent auditor's report and provides a narrative overview and analysis of the basic financial statement.

The Statistical Section sets forth selected unaudited financial and demographic information, and is divided into five categories including financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information generally presented on a multi-year basis.

Profile of the Government

School districts in Iowa operate with local control and have fiscal independence from other government entities. The District operates in compliance with the accounting principles generally accepted in the United States of America (GAAP) and currently prepares its financial statements per the Governmental Accounting Standards Board (GASB) Statement No. 34. A seven-member elected Board of Directors, serving staggered terms of four years, governs the Johnston Community School District. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators. The District is subject to the general oversight of the Iowa Department of Education. This oversight generally includes an approval process that reviews compliance to standards enacted by legislative mandate.

The Johnston Community School District serves more than 38,000 people and covers 40 square miles in the northwest part of Polk County-Johnston, Urbandale, and Grimes. It is a thriving, growing suburb north of Iowa's capital of Des Moines with the Des Moines Metropolitan area including over 600,000 residents as of the 2010 census.

The District started as a one building district in 1914 and has grown to be the 13th largest of Iowa's 327 public school systems. The enrollment was approximately 7,106 students (certified) with over 7,200 students served as of October 2019. The COVID pandemic has affected our fall 2020 enrollment count with the District showing a decrease of certified students by 101 to 7,004 students and a decrease of students served from 7,217 to 7,134 for a decrease of approximately 83 students. This decrease in students is not unique to the District as enrollments are showing decreases within the state as well as nationally.

The District provides a full range of educational services appropriate to students in early childhood, preschool, transitional kindergarten, and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Students attend Metro West, an alternative school for students who function better in a less-structured environment. Students may also attend the Central Academy that affords additional opportunities for a greater breadth of classes.

The District serves these students in one high school, two middle schools and five elementary schools. The District also operates a buildings and grounds/warehouse/transportation facility, a technology building located in the previous Wallace Annex, an older warehouse location, and District office.

Economic Condition and Outlook

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook of the District have remained strong during the past ten years, and as a result, the District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged 4.8% annual increase in the tax base over the past ten years. In fiscal year 2020, the increase was 3.2%. Prior to the pandemic, the District expected continued enrollment growth, but much smaller than the average over the last ten years of 113 students or approximately two percent. The average increase over the last 5 years prior to the pandemic has been 98 students, and the District is still projected to grow marginally for a few more years. The District has utilized a demographer to assist with enrollment projections.

Based on conservative projections, this trend is expected to continue well into the next decade. While having a positive impact, the small growth also presents challenges for the District. The District utilizes the maximum optional instructional support levy and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits, and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the State of Iowa. These increases are expected to continue if economic conditions remain stable.

In recent years, the state of Iowa has faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. The District has faced inadequate funding for state aid and other state-funded programs, and this has resulted in lower supplemental state aid. The lower funding has become the new norm with the last ten years averaging 1.77% supplemental state aid. The supplemental state aid has been complimented with increased enrollment (with the exception of one year) allowing the District to meet its needs without implementing budget cuts in recent years.

Major Initiatives

It is projected that the district will continue to grow for the foreseeable future. To accommodate the district's growth, a facility plan was approved that included a new high school housing grades 10-12, renovations to the existing high school to house 8th and 9th grade students, renovations to the existing middle school to house elementary students by moving Wallace Elementary to that building along with all district preschool classes, and renovations to the current Wallace Elementary to meet district needs. The high school project was completed in 2017, Wallace Elementary was completed 2018, middle school completed renovations in the summers of 2019 and 2020, and the administrative building (previous Wallace Elementary) renovations began late fall 2018 with completion fall 2019. This facility plan

was funded through various sources including a bond referendum that passed in June 2014 for \$41 million, revenue bonds, and PPEL notes; this facility plan should meet the enrollment needs of the district for many years.

Johnston Community School District is in its eighth year with digital learning environments. Johnston High School began their 1:1 in 2012, Johnston Middle School (8-9) came on board in 2015, and Summit Middle School (6-7) in 2016. Elementary schools were also part of the initiative with fourth and fifth grade classrooms at 1:1 and Kindergarten through 3rd grade being 2:1 as of last year. In order to meet learning needs through the pandemic, Johnston has now become a 1:1 school district for PK-12 students.

Relevant Financial Policies

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of supplemental state aid each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of supplemental state aid for the following year. Adequate supplemental state aid is crucial in funding the needs of our growing district.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the Management's Discussion and Analysis included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Basis of Presentation

The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards and Audits of State and Local Government Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Financial Accounting for Iowa Schools and Area Education Agencies issued by the State Department of Education and Chapter 11 of the Code of Iowa. The chart of accounts manual is updated annually and the District is materially in compliance with these requirements.

Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the

1996 Amendment to the Single Audit Act, and the Uniform Guidance. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report.

The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance. As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control procedures are subject to periodic evaluation by management and external auditors.

As part of the District's audit, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal award programs. The results of the District's audit for the fiscal year ended June 30, 2020 noted no material weaknesses in the internal controls over financial reporting or for compliance issues.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Johnston Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Johnston Community School District has received this award annually for the last fourteen years. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) upon recommendation of the Association's Panel of Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. A certificate is valid for a period of one year. The Johnston Community School District has received this award for eighteen years, and we are submitting this report to ASBO to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and our auditors, Van Maanen, Sietstra, Meyer & Nikkel, PC. Finally, we would like to thank the Board of Education for their continued interest and support in conducting the financial operations of the District in a most responsible and progressive manner.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2020. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

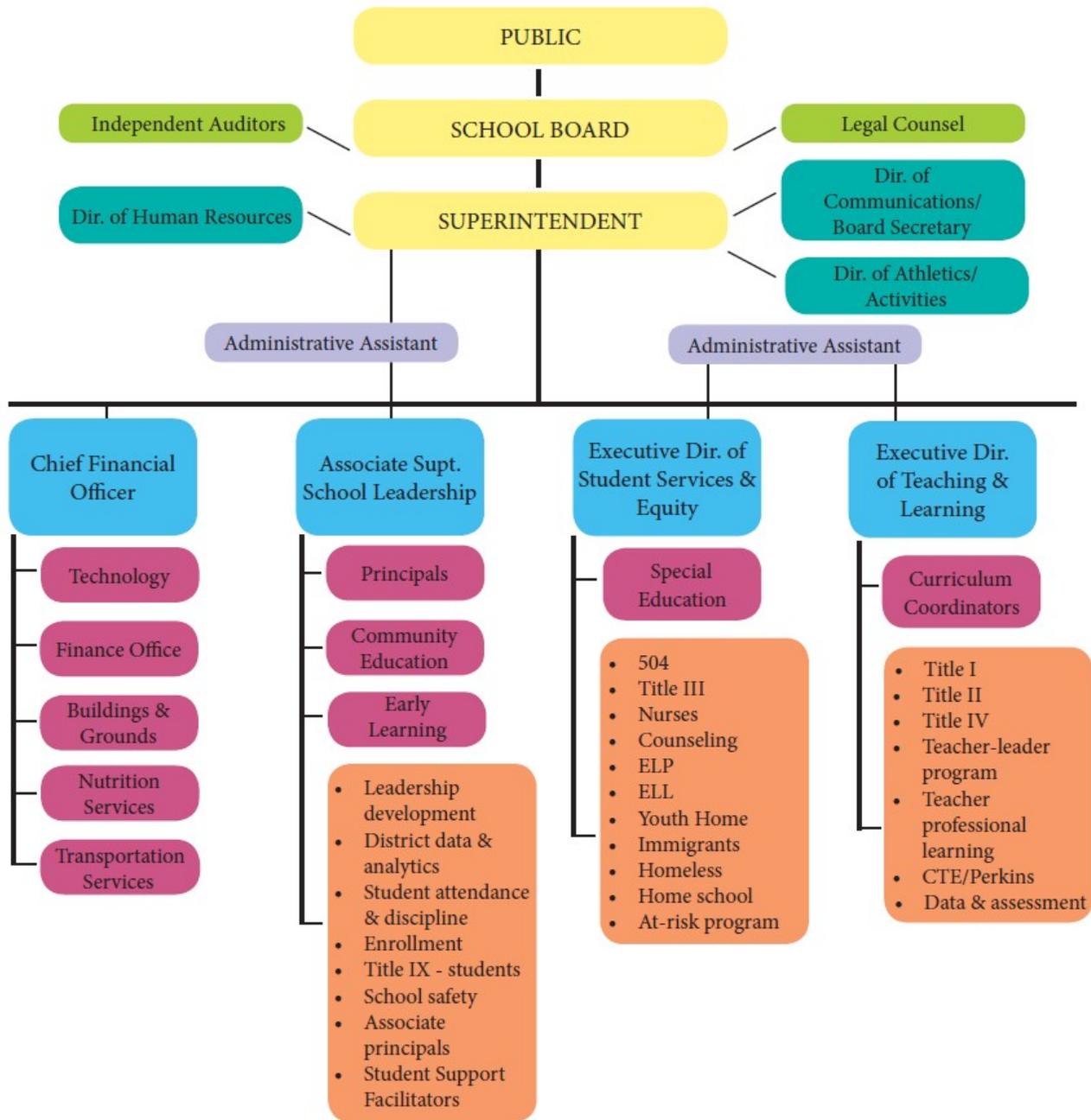


Jan Miller-Hook
Chief Financial Officer



Laura Kacer
Superintendent

Johnston Community School District
 Organizational Chart
 June 30, 2020



**Johnston Community School District
Board of Education and School District Administration
Year Ended June 30, 2020**

| <u>Name</u> | <u>Position</u> | <u>Term Expires</u> |
|---------------------------|-----------------|---------------------|
| Board of Education | | |
| Justin Allen | President | 2021 |
| Dr. Jeanie Kerber | Vice President | 2021 |
| Steven Hopper | Board Member | 2021 |
| Jennifer Chamberland | Board Member | 2023 |
| Alicia Clevenger | Board Member | 2023 |
| Soneeta Mangra-Dutcher | Board Member | 2023 |
| Katie Fiala | Board Member | 2023 |

School District Administration

| | |
|-------------------|--|
| Laura Kacer | Superintendent of Schools |
| Dr. Bruce Amendt | Associate Superintendent of Academic Services |
| Jan Miller-Hook | Chief Financial Officer |
| Dr. Nikki Roorda | Executive Director Teaching and Learning |
| Ryan Eidahl | Director of Business Services |
| Nancy J. Buryanek | Director of Community Education |
| George Smith | Director of Buildings and Grounds |
| LaRae Doll | Director of Nutrition & Food Services |
| Tony Sparks | Director of Technology |
| Ryan Woods | High School Principal |
| Randy Klein | High School Associate Principal |
| Nate Zittergruen | High School Associate Principal |
| Brent Riessen | Middle School Principal |
| Raine Mollenbeck | Middle School Associate Principal |
| Chris Billings | Summit Middle School Principal |
| Jerry Stratton | Summit School Associate Principal |
| Joseph Nelson | Director of Athletics and Activities |
| Josh Tobey | Assistant Director of Athletics and Activities |
| Tom Bartello | Lawson Elementary Principal |
| Kelley Harrison | Timber Ridge Elementary Principal |
| Lindsey Cornwell | Horizon Elementary Principal |
| Suzie Pearson | Wallace Elementary Principal |
| Eric Toot | Beaver Creek Elementary Principal |
| Vickie McCool | Director of Special Education |
| Joy Wiebers | Director of Student Support & Equity |
| Laura Sprague | Director of Communications |
| Joy Palmer | Director of Johnston Early Learning Academy |



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Johnston Community School District
Iowa**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
is presented to**

Johnston Community School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education
Johnston Community School District
Johnston, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District as of June 30, 2020, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 11 through 20 and 58 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the ten years ended June 30, 2019, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 12, including the Schedule of Expenditures of Federal Awards required Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated ==, on our consideration of the Johnston Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnston Community School District's internal control over financial reporting and compliance. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

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This section of the Johnston Community School District annual financial report presents the readers of the District's financial statements a narrative overview and analysis of the financial activity of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

Financial Highlights

- For the year ended June 30, 2020, the District reported an increase in combined total governmental and business-type activities net position of \$6,163,818 compared to an increase of \$9,135,711 during the year ended 2019.
- Total revenues for the fiscal year ended June 30, 2020 and 2019 of \$116,348,896 and \$115,631,494 were comprised of General Revenues in the amount of \$89,114,661 and \$86,890,476 and Program Revenues totaling \$27,234,235 and \$28,741,018 respectively.
- As of June 30, 2020, the District's governmental funds reported combined ending fund balances of \$38,457,405, an increase of \$757,702 in comparison with 2019. This compares with June 30, 2019 balance of \$37,699,703, an increase of \$3,440,757 in comparison with 2018. This increase for year ending 2020 consists primarily of a decrease of \$3.9 million in School Infrastructure Fund due to construction and capital improvement projects completed, \$4.5 million increase in the Debt fund due to a pre-levy of \$4.2 million future callable bonds put into escrow, an increase of \$2.6 million in the Management fund due to a higher levy, and a decrease of \$2.2 million in the Unassigned fund balance due to a low \$1.5 million cash reserve levied, approximately \$600,000 lower Medicaid revenue received due to school closure (while expenses maintained), and then offset by controlled staffing, and continuation of no formal textbook adoptions (district budgets \$650,000/year for curriculum resources in lieu of adoptions).
- As of June 30, 2020, Unassigned fund balance for the General Fund was \$10,518,726 or 12.4% of total General Fund expenditures. This is a decrease from the balance on June 30, 2019 of \$2,176,677 or 15.3% of expenditures. This decrease is due to the low \$1.5 million cash reserve levied, approximately \$600,000 lower Medicaid revenue received due to school closure, and then offset by 1.9% new money (state supplemental aid 2.06% and decreased enrollment), controlled staffing, the continuation of \$650,000 budgeted for curriculum resources in lieu of textbook adoptions.

Using This Annual Report

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The *Government-wide Financial Statements* consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Johnston Community School District as a whole and present an overall view of the District's finances.
- The *Fund Financial Statements* tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Johnston Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Johnston Community School District acts solely as an agent or custodian for the benefit of those outside of the District.
- The *Notes to Financial Statements* provide additional information essential to a full understanding of the data provided in the basic financial statements.
- The *Required Supplementary Information* further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of funding Progress for the Retiree Health Plan.
- The *Supplementary Information* provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

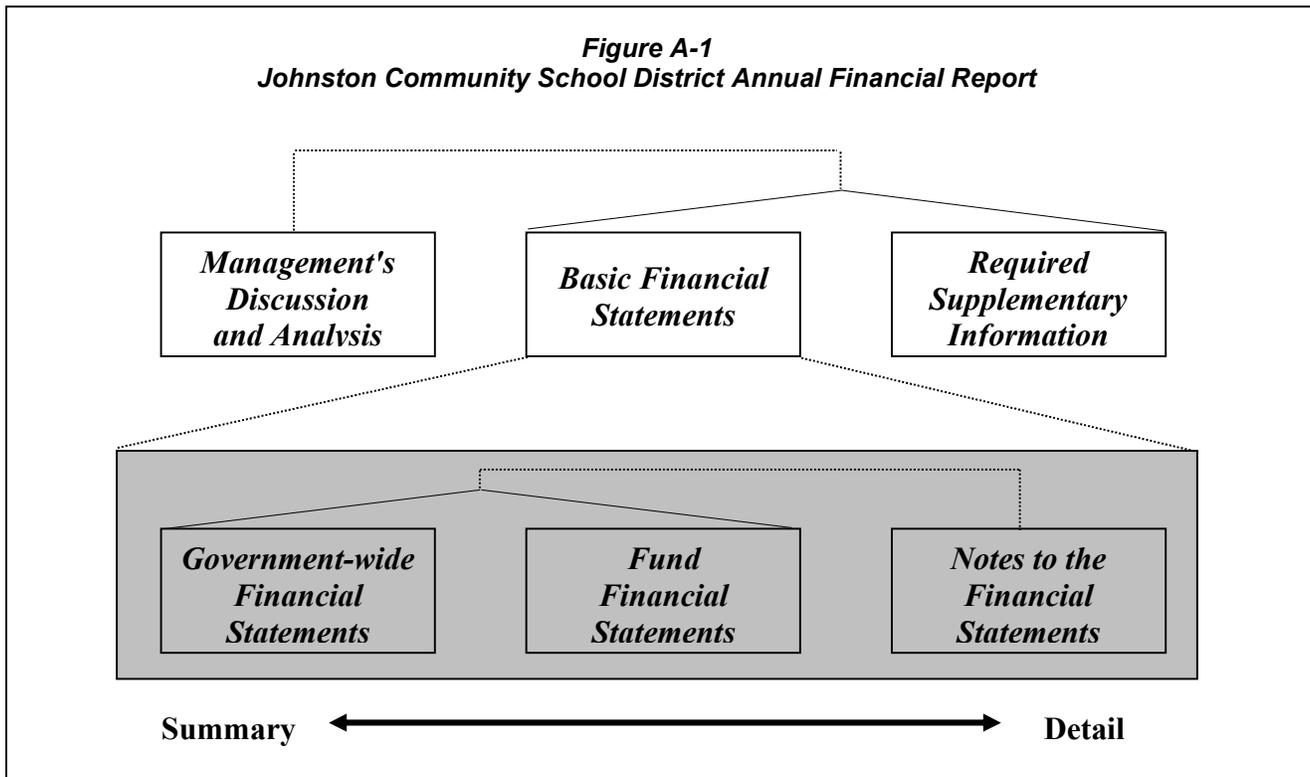


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

| Figure A-2 Major Features of the Government-wide and Fund Financial Statements | | | |
|---|--|--|--|
| | Government-wide Statements | Fund Statements | |
| | | Governmental Funds | Proprietary Funds |
| Scope | Entire district (except fiduciary funds) | The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance | Activities the district operates similar to private businesses: food services and adult education |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances | <ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets and liabilities, both financial and capital, and short-term and long-term |
| Type of deferred outflow/inflow information | Consumption/ acquisition of net position that is applicable to a future reporting period | Consumption/ acquisition of fund balance that is applicable to a future reporting period | Consumption/ acquisition of net position that is applicable to a future reporting period |
| Type of inflow/ outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid |

Reporting the District's Financial Activities

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two Government-wide financial statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

In the Government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition, community education and community preschool programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

The required financial statements for governmental fund include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances

- *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, is the same as its business type activities but provides more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Community Preschool, and Community Education.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

Government-wide Financial Analysis

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The district levied \$4.2 million surplus school capital and equipment levy for bonds callable June 1, 2022.

Net position - Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2020 compared to June 30, 2019.

| Figure A-3 Condensed Statement of Net Position | | | | | | | |
|---|--------------------------------|--------------------|---------------------------------|------------------|--------------------|--------------------|---------------------|
| | Governmental activities | | Business type activities | | Total | | Total Change |
| | June 30, | | June 30, | | June 30, | | June 30, |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2019-2020 |
| Current assets | \$ 107,286,173 | 106,608,354 | 3,450,082 | 4,120,811 | 110,736,255 | 110,729,165 | 0.0% |
| Capital assets, net | 198,673,656 | 199,553,602 | 745,644 | 834,995 | 199,419,300 | 200,388,597 | -0.5% |
| Total assets | 305,959,829 | 306,161,956 | 4,195,726 | 4,955,806 | 310,155,555 | 311,117,762 | -0.3% |
| Deferred outflows of resources | 10,408,330 | 11,024,239 | 654,214 | 694,562 | 11,062,544 | 11,718,801 | 0.0% |
| Total deferred outflows of resources | 10,408,330 | 11,024,239 | 654,214 | 694,562 | 11,062,544 | 11,718,801 | 0.0% |
| Current liabilities | 24,456,607 | 27,902,298 | 436,401 | 485,334 | 24,893,008 | 28,387,632 | -12.3% |
| Long-term liabilities | 129,640,422 | 139,061,932 | 2,734,980 | 2,801,416 | 132,375,402 | 141,863,348 | -6.7% |
| Total liabilities | 154,097,029 | 166,964,230 | 3,171,381 | 3,286,750 | 157,268,410 | 170,250,980 | -7.6% |
| Deferred inflows of resources | 52,306,107 | 47,283,182 | 401,039 | 223,676 | 52,707,146 | 47,506,858 | 0.0% |
| Total deferred inflows of resources | 52,306,107 | 47,283,182 | 401,039 | 223,676 | 52,707,146 | 47,506,858 | 0.0% |
| Net Position: | | | | | | | |
| Net investment in capital assets | 99,309,022 | 96,562,542 | 745,644 | 834,995 | 100,054,666 | 97,397,537 | 2.7% |
| Restricted | 26,824,464 | 17,618,072 | - | - | 26,824,464 | 17,618,072 | 52.3% |
| Unrestricted | (16,168,463) | (11,241,831) | 531,876 | 1,304,947 | (15,636,587) | (9,936,884) | 57.4% |
| Total net position | \$ 109,965,023 | 102,938,783 | 1,277,520 | 2,139,942 | 111,242,543 | 105,078,725 | 5.9% |

As noted earlier, net position may serve over time as a useful indicator of a government entity's financial position. A significant portion of the District's total net position reflects its investment in capital assets (land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The District's total net position increased from a year ago \$105,078,725 to \$111,242,543. The governmental activities net position increased \$7,026,240 and the business type activities net position decreased \$862,422. The increase is primarily due to completion of additional capital projects including the baseball/softball fields and the renovation of previous Wallace Elementary to District Office.

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net position invested in capital assets, net of related debt, was \$100,054,666 for 2020 and \$97,397,537 for 2019.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities will be repaid through future property and sales taxes collections. Bond debt retirement for the year was \$8,015,000.

Property tax, sales tax, and unrestricted state grants account for 74.6% of the total revenue. The District's expenses primarily relate to instruction and support services that account for 75.2% of the total expenses.

The restricted portion of the District's net position (24.1% for 2020 and 16.8% for 2019) represents resources that are subject to external restrictions in how they may be used. Restrictions for 2020 include \$6,558,170 for school infrastructure, \$939,441 for physical plant and equipment levy, \$94,848 for internal services, \$608,867 for other special revenue purposes, \$10,980,871 for debt service, \$6,100,420 for management levy, and \$1,541,847 for state categorical funding. The remaining balance of unrestricted net position, (\$15,636,587) for

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2020**

2020 and (\$9,936,884) for 2019, is in a deficit position, due to the unfunded net pension liability and net other postemployment benefit (OBEB) liability. Additionally, part of the deficit position for 2020 is due to the COVID pandemic school closure resulting in a loss of revenue during that time period.

At the end of the current fiscal year, the Johnston Community School District is unable to report positive balances in all three categories of net position. GASB 68 was implemented during 2015 creating a deficit unrestricted net position. It should be noted this is a book entry of a negative amount and not an actual deficit of cash.

The District's total net position increased by \$6,163,818 during the current fiscal year as compared to an increase of \$9,135,711 in 2019. The governmental activities net position increased by \$7,026,240 in 2020 and increased by \$6,293,775 in 2019. The business type activities (which include nutrition, community education, and community preschool) decreased by \$862,422 in 2020 as compared to an increase of \$274,336 in 2019. The reason for the change in business type activities is due to the COVID pandemic school closure disrupting revenues with a continuation of expenses.

Governmental Activities

Revenues for governmental activities were \$110,814,773 and expenses were \$103,980,851 for the year ended June 30, 2020. Net position increased by \$7,026,240.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2020 and 2019. These two main components are subtracted to yield the change in net position. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, non-instructional programs and other expenses.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2020**

**Figure A-4
Changes in Net Position**

| | Governmental activities | | Business type activities | | Total District | | Total |
|--|-------------------------|-------------|--------------------------|-----------|---------------------|-------------|-----------|
| | Year ended June 30, | | Year ended June 30, | | Year ended June 30, | | Change |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2019-2020 |
| Revenues: | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | \$ 7,327,440 | 6,857,278 | 3,950,677 | 5,733,706 | 11,278,117 | 12,590,984 | -10.4% |
| Operating grants and contributions | 14,372,672 | 14,692,194 | 1,583,446 | 1,457,840 | 15,956,118 | 16,150,034 | -1.2% |
| General revenues: | | | | | | | |
| Local taxes | 45,309,062 | 44,526,382 | - | - | 45,309,062 | 44,526,382 | 1.8% |
| Statewide sales, services and use tax | 7,313,864 | 6,684,467 | - | - | 7,313,864 | 6,684,467 | 9.4% |
| State grants | 34,193,211 | 33,295,431 | - | - | 34,193,211 | 33,295,431 | 2.7% |
| Investment earnings | 967,018 | 973,711 | - | - | 967,018 | 973,711 | -0.7% |
| Other | 1,331,506 | 1,410,485 | - | - | 1,331,506 | 1,410,485 | -5.6% |
| Total revenues | 110,814,773 | 108,439,948 | 5,534,123 | 7,191,546 | 116,348,896 | 115,631,494 | 0.6% |
| Expenses: | | | | | | | |
| Program expenses: | | | | | | | |
| Instruction | 70,414,755 | 67,068,311 | - | - | 70,414,755 | 67,068,311 | 5.0% |
| Support services - students & staff | 5,739,161 | 5,493,069 | - | - | 5,739,161 | 5,493,069 | 4.5% |
| Support services - administration | 6,671,235 | 6,146,391 | - | - | 6,671,235 | 6,146,391 | 8.5% |
| Operations and maintenance | 8,113,422 | 7,851,357 | - | - | 8,113,422 | 7,851,357 | 3.3% |
| Transportation | 4,692,702 | 4,611,616 | - | - | 4,692,702 | 4,611,616 | 1.8% |
| Non-instructional activities | 186,302 | 150,377 | 6,204,227 | 6,686,320 | 6,390,529 | 6,836,697 | -6.5% |
| Other | 8,163,274 | 8,488,342 | - | - | 8,163,274 | 8,488,342 | -3.8% |
| Total expenses | 103,980,851 | 99,809,463 | 6,204,227 | 6,686,320 | 110,185,078 | 106,495,783 | 3.5% |
| Excess (deficiencies) before transfers | 6,833,922 | 8,630,485 | (670,104) | 505,226 | 6,163,818 | 9,135,711 | -32.5% |
| Transfers | 192,318 | 230,890 | (192,318) | (230,890) | - | - | - |
| Change in net position | 7,026,240 | 8,861,375 | (862,422) | 274,336 | 6,163,818 | 9,135,711 | -32.5% |
| Net Position beginning of year | 102,938,783 | 94,077,408 | 2,139,942 | 1,865,606 | 105,078,725 | 95,943,014 | 9.5% |
| Net Position end of year | \$ 109,965,023 | 102,938,783 | 1,277,520 | 2,139,942 | 111,242,543 | 105,078,725 | 5.9% |

Business Type Activities

Revenues of the District's business-type activities were \$5,534,123 and expenses were \$6,204,227 for the year ended June 30, 2020. Net position decreased \$862,422. The District's business-type activities include the School Nutrition, Community Preschool, and Community Education Funds. Revenues of these activities were comprised of charges for service and federal and state reimbursements.

Individual Fund Analysis

- The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2020, the District's governmental funds reported combined fund balances of \$38,457,405 compared to the 2019 ending fund balances of \$37,699,703. The \$757,702 increase for year ending 2020 is primarily due to a decrease of \$3.9 million in School Infrastructure Fund due to construction and capital improvement projects completed, \$4.5 million increase in the Debt fund due to a pre-levy for \$4.2 million future callable bonds put into escrow, an increase of \$2.6 million in the Management fund due to a higher levy, and a decrease of \$2.2 million in the Unassigned fund balance due to a low \$1.5 million cash reserve levied, approximately \$600,000 lower Medicaid revenue received due to school closure (while expenses maintained), and then offset by 1.9% new money (state supplemental aid 2.06% and decreased enrollment), controlled staffing, and continuation of no formal textbook adoptions (district budgets \$650,000/year for curriculum resources in lieu of adoptions).

Governmental Fund Highlights

- The General Fund is the chief operating fund of the District. At the end of the current fiscal year, Unassigned fund balance of the General Fund was \$10,518,726 and \$12,695,403 for 2020 and 2019, respectively while total fund balance reached \$12,146,145 in 2020 and \$14,315,394 in 2019. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of \$10,518,726 represents 12.4% of total General Fund expenditures, and total fund balance of \$12,146,145 represents approximately 14.3% of that same amount for 2020. For fiscal year 2019, unassigned fund balance of \$12,695,403 represents 15.3% of total General Fund expenditures, while total fund balance of \$14,315,394 represents approximately 17.2% of that same amount. This decrease is due to \$1.5 million cash reserve levied, approximately \$600,000 lower Medicaid revenue received due to school closure (while expenses maintained), and then offset by controlled staffing, and continuation of no formal textbook adoptions (district budgets \$650,000/year for curriculum resources in lieu of adoptions).
- The Debt Service Fund balance increased from \$6,593,880 June 30, 2019 to \$11,130,362 June 30, 2020. The increase in the Debt Service fund balance is due to a \$4.2 million pre-levy to call bonds in the future as well as commercial and industrial replacement revenue not used to offset debt service levy.
- The Capital Projects Fund balance decreased from \$12,624,012 June 30, 2019 to \$8,471,611 June 30, 2020. This decrease is due to construction and capital improvement payments made during fiscal year 2020.
- The non-major special revenue funds balance increased \$2,542,870 due to an increase in the Management Fund balance at year end as a result of a higher levy for this fiscal year.

Proprietary Fund Highlights

The School Enterprise Funds net position decreased from \$2,139,942 on June 30, 2019 to \$1,277,520 on June 30, 2020 for a decrease of \$864,422 primarily due to school closure and the disruption of revenues.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except for internal services, private-purpose trusts and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis. Schedules showing the original and final budget amounts compared to the District's actual financial activity are included in the required supplementary information section of this report.

Legal Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except internal service and agency funds as described in the note to required supplementary information.

A comparison of actual expenditures/expenses of the District's budgeted funds with the final program budget amounts is as follows:

| | Final Budget | Actual | Variance |
|----------------------------|-----------------------|--------------------|-------------------|
| Instruction | \$ 66,040,875 | 62,867,068 | 3,173,807 |
| Support services | 26,574,900 | 25,480,592 | 1,094,308 |
| Non-instructional programs | 7,125,000 | 5,757,122 | 1,367,878 |
| Other | 30,081,000 | 24,070,537 | 6,010,463 |
| | <u>\$ 129,821,775</u> | <u>118,175,319</u> | <u>11,646,456</u> |

"Other" expenditures variance is due to construction project expenditures not meeting projected cash flows, always a difficult estimate.

Capital Assets and Debt Administration

Capital Assets

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2020**

At June 30, 2020, the District had invested \$199,419,300 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, and furniture and equipment. This compares to the June 30, 2019 balance of \$200,388,597. See Figure A-5.

The original cost of the District's capital assets was \$259,262,352. Governmental funds account for \$256,077,632 with the remainder, \$3,184,720, in the Enterprise funds.

- The largest change in capital asset activity during the year was due to construction expenses for the baseball/softball fields, renovating the previous Wallace Elementary site to be the new District Office, and other school site improvements.

| | Governmental activities | | Business type activities | | Total District | | Total Change |
|-----------------------------------|-------------------------|--------------------|--------------------------|----------------|--------------------|--------------------|--------------|
| | June 30, | | June 30, | | June 30, | | June 30, |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2019-2020 |
| Land | \$ 9,285,261 | 9,285,261 | - | - | 9,285,261 | 9,285,261 | 0.0% |
| Construction in progress | 1,220,708 | 5,758,046 | - | - | 1,220,708 | 5,758,046 | -78.8% |
| Buildings | 177,712,182 | 174,019,207 | - | - | 177,712,182 | 174,019,207 | 2.1% |
| Improvements other than buildings | 3,649,120 | 4,034,293 | - | - | 3,649,120 | 4,034,293 | -9.5% |
| Furniture and equipment | 6,806,385 | 6,456,795 | 745,644 | 834,995 | 7,552,029 | 7,291,790 | 3.6% |
| Total | \$ 198,673,656 | 199,553,602 | 745,644 | 834,995 | 199,419,300 | 200,388,597 | -0.5% |

Additional information about the District's capital assets can be found in Note 5 on page 43 in the notes to the financial statements.

Long-Term Debt

At June 30, 2020, the District had \$142,120,235 in long-term debt outstanding including general obligation bonds, revenue bonds, and other long-term debt outstanding. This represents a decrease of approximately 7.7% from June 30, 2019. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The decrease is primarily a result of \$8,015,000 general obligation bond reductions and revenue bond reductions of \$2,850,000.

| | Governmental activities | | Business type activities | | Total District | | Total Change |
|----------------------------------|-------------------------|--------------------|--------------------------|------------------|--------------------|--------------------|--------------|
| | June 30, | | June 30, | | June 30, | | June 30, |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2019-2020 |
| General obligation bonds | \$ 48,510,000 | 56,525,000 | - | - | 48,510,000 | 56,525,000 | -14.2% |
| General obligation bond discount | (214,907) | (240,917) | - | - | (214,907) | (240,917) | -10.8% |
| General obligation bond premium | 613,205 | 775,072 | - | - | 613,205 | 775,072 | -20.9% |
| Revenue bonds | 48,124,000 | 50,974,000 | - | - | 48,124,000 | 50,974,000 | -5.6% |
| Revenue bond discount | (264,068) | (299,565) | - | - | (264,068) | (299,565) | -11.8% |
| Revenue bond premium | 1,325,992 | 1,510,838 | - | - | 1,325,992 | 1,510,838 | -12.2% |
| Obligations under lease | 1,270,413 | - | - | - | 1,270,413 | 0 | #DIV/0! |
| Early retirement | - | 717,795 | - | - | - | 717,795 | -100.0% |
| Other postemployment benefits | 4,242,027 | 3,247,419 | 254,445 | 184,804 | 4,496,472 | 3,432,223 | 31.0% |
| Net pension liability | 35,440,808 | 37,720,291 | 2,480,535 | 2,616,612 | 37,921,343 | 40,336,903 | -6.0% |
| Compensated absences | 306,471 | 201,848 | 32,314 | 22,402 | 338,785 | 224,250 | 51.1% |
| Totals | \$ 139,353,941 | 151,131,781 | 2,767,294 | 2,823,818 | 142,121,235 | 153,955,599 | -7.7% |

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook of the District have remained strong during the past ten years, and as a result, the District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged 4.8% annual increase in the tax base over the past ten years. In fiscal year 2020, the increase was 3.2%.

- Prior to the pandemic, the District expected continued enrollment growth, but much smaller than the average over the last ten years of 113 students or approximately two percent. The District has utilized a demographer to assist with enrollment projections.
- To accommodate the district's growth, a facility plan was approved that included a new high school housing grades 10-12 (opened fall 2017), renovations to the previous high school site to house 8th and 9th grade students (opened fall 2017), renovations to the previous middle school to house elementary students by moving Wallace Elementary to that building along with all district preschool classes (opened fall 2018), and renovations to the current Wallace Elementary to meet district needs (opened fall 2019). This facility plan is funded through various sources including a bond referendum that passed in June 2014 for \$41 million, revenue bonds, and PPEL notes; this facility plan should meet the enrollment needs of the district for many years.
- Inadequate state funding and enrollments will continue to put great pressure on district finances to meet the personnel, facility and transportation needs of the District.
- In policy, the District has a financial solvency ratio target of 5-15% with 10% as a minimal goal, and unspent target of 5-15%. It will be important to maintain an adequate cash reserve levy to achieve and maintain the financial solvency goal, and will be equally important to monitor and adjust recurring expenses such as salaries and benefits which represent approximately 80% of the operating budget.
- The economy continues to be a factor that could have consequences for the district in regard to state revenues, property valuations, and enrollment, especially in light of the COVID pandemic.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jan Miller-Hook, Chief Financial Officer, Johnston Community School District, 6510 NW 62nd Avenue, Johnston, IA 50131-1234.

Basic Financial Statements

Exhibit A

**Johnston Community School District
Statement of Net Position
June 30, 2020**

| | Governmental Activities | Business Type Activities | Total Primary Government |
|--|----------------------------|-----------------------------|-----------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash, cash equivalents and pooled investments: | \$ 56,251,568 | 3,203,166 | 59,454,734 |
| Receivables: | | | |
| Property tax: | | | |
| Delinquent | 240,845 | - | 240,845 |
| Succeeding year | 46,213,556 | - | 46,213,556 |
| Accounts | 210,112 | 4,894 | 215,006 |
| Due from other governments | 4,284,520 | 118,598 | 4,403,118 |
| Inventories | 85,572 | 123,424 | 208,996 |
| Total current assets | <u>107,286,173</u> | <u>3,450,082</u> | <u>110,736,255</u> |
| Non-current assets: | | | |
| Capital assets: | | | |
| Capital assets - nondepreciable | 10,505,969 | - | 10,505,969 |
| Capital assets - depreciable, net | 188,167,687 | 745,644 | 188,913,331 |
| Total capital assets | <u>198,673,656</u> | <u>745,644</u> | <u>199,419,300</u> |
| Total non-current assets | <u>198,673,656</u> | <u>745,644</u> | <u>199,419,300</u> |
| Total assets | <u>305,959,829</u> | <u>4,195,726</u> | <u>310,155,555</u> |
| Deferred Outflows of Resources | | | |
| OPEB related deferred outflows | 733,112 | 51,129 | 784,241 |
| Pension related deferred outflows | 9,675,218 | 603,085 | 10,278,303 |
| Total deferred outflows of resources | <u>10,408,330</u> | <u>654,214</u> | <u>11,062,544</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 4,035,009 | 73,657 | 4,108,666 |
| Due to other governments | 12,409 | - | 12,409 |
| Advances from tuition and registration fees | 77,105 | - | 77,105 |
| Advances from prepaid childcare | - | 43,484 | 43,484 |
| Advances from prepaid lunches | - | 157,873 | 157,873 |
| Insurance claims payable | 1,543,495 | - | 1,543,495 |
| Salaries and benefits payable | 7,792,283 | 129,073 | 7,921,356 |
| Construction contracts payable | 159,300 | - | 159,300 |
| Accrued interest payable | 1,123,489 | - | 1,123,489 |
| General obligation bonds payable | 5,108,694 | - | 5,108,694 |
| Revenue bonds payable | 3,888,350 | - | 3,888,350 |
| Obligations under lease | 410,002 | - | 410,002 |
| Compensated absences | 306,471 | 32,314 | 338,785 |
| Total current liabilities | <u>24,456,607</u> | <u>436,401</u> | <u>24,893,008</u> |
| Non-current liabilities: | | | |
| General obligation bonds payable | 43,799,602 | - | 43,799,602 |
| Revenue bonds payable | 45,297,574 | - | 45,297,574 |
| Obligations under lease | 860,411 | - | 860,411 |
| Net pension liability | 35,440,808 | 2,480,535 | 37,921,343 |
| Other post employment benefits payable | 4,242,027 | 254,445 | 4,496,472 |
| Total non-current liabilities | <u>129,640,422</u> | <u>2,734,980</u> | <u>132,375,402</u> |
| Total liabilities | <u>154,097,029</u> | <u>3,171,381</u> | <u>157,268,410</u> |

Exhibit A

**Johnston Community School District
Statement of Net Position
June 30, 2020**

| | Governmental Activities | Business Type Activities | Total Primary Government |
|--|----------------------------|-----------------------------|-----------------------------|
| <i>Continued from previous page</i> | | | |
| Deferred Inflows of Resources | | | |
| Deferred property tax revenue | 46,213,556 | - | 46,213,556 |
| OPEB related deferred inflows | 105,870 | 5,508 | 111,378 |
| Pension related deferred inflows | 5,806,668 | 395,531 | 6,202,199 |
| Advances on federal grants | 180,013 | - | 180,013 |
| Total deferred inflows of resources | 52,306,107 | 401,039 | 52,707,146 |
| Net Position | | | |
| Net investment in capital assets | 99,309,022 | 745,644 | 100,054,666 |
| Restricted for: | | | |
| State categorical funding | 1,541,847 | - | 1,541,847 |
| Management levy purposes | 6,100,420 | - | 6,100,420 |
| Debt service | 10,980,871 | - | 10,980,871 |
| School infrastructure | 6,558,170 | - | 6,558,170 |
| Physical plant and equipment | 939,441 | - | 939,441 |
| Internal service | 94,848 | - | 94,848 |
| Student activities | 608,867 | - | 608,867 |
| Unrestricted | (16,168,463) | 531,876 | (15,636,587) |
| Total net position | \$ 109,965,023 | 1,277,520 | 111,242,543 |

See notes to financial statements.

Exhibit B

Johnston Community School District
Statement of Activities
Year ended June 30, 2020

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------------|-----------------------|---------------------|---|---|--------------------------|--------------------------|
| | Expenses | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities | Total Primary Government |
| Governmental activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | \$ 46,528,571 | 4,491,879 | 8,466,800 | (33,569,892) | - | (33,569,892) |
| Special | 14,716,806 | 1,851,924 | 2,546,654 | (10,318,228) | - | (10,318,228) |
| Other | 9,169,378 | 638,036 | 77,114 | (8,454,228) | - | (8,454,228) |
| | <u>70,414,755</u> | <u>6,981,839</u> | <u>11,090,568</u> | <u>(52,342,348)</u> | <u>-</u> | <u>(52,342,348)</u> |
| Support Service: | | | | | | |
| Student | 2,460,467 | - | - | (2,460,467) | - | (2,460,467) |
| Instructional staff | 3,278,694 | - | - | (3,278,694) | - | (3,278,694) |
| Administration | 6,671,235 | - | - | (6,671,235) | - | (6,671,235) |
| Operation and maintenance of plant | 8,113,422 | 23,358 | - | (8,090,064) | - | (8,090,064) |
| Transportation | 4,692,702 | 322,243 | 104,158 | (4,266,301) | - | (4,266,301) |
| | <u>25,216,520</u> | <u>345,601</u> | <u>104,158</u> | <u>(24,766,761)</u> | <u>-</u> | <u>(24,766,761)</u> |
| Non-instructional programs: | | | | | | |
| Nutrition services | 5,235 | - | - | (5,235) | - | (5,235) |
| Community education services | 181,067 | - | - | (181,067) | - | (181,067) |
| | <u>186,302</u> | <u>-</u> | <u>-</u> | <u>(186,302)</u> | <u>-</u> | <u>(186,302)</u> |
| Other expenses: | | | | | | |
| Facilities acquisition | 1,377,926 | - | - | (1,377,926) | - | (1,377,926) |
| Long-term debt interest | 3,607,402 | - | - | (3,607,402) | - | (3,607,402) |
| AEA support | 3,177,946 | - | 3,177,946 | - | - | - |
| | <u>8,163,274</u> | <u>-</u> | <u>3,177,946</u> | <u>(4,985,328)</u> | <u>-</u> | <u>(4,985,328)</u> |
| Total governmental activities | 103,980,851 | 7,327,440 | 14,372,672 | (82,280,739) | - | (82,280,739) |
| Business type activities: | | | | | | |
| Non-instructional programs: | | | | | | |
| Nutrition services | 3,232,106 | 1,644,080 | 1,513,641 | - | (74,385) | (74,385) |
| Preschool services | 308,950 | 219,500 | 47,776 | - | (41,674) | (41,674) |
| Community education services | 2,663,171 | 2,087,097 | 22,029 | - | (554,045) | (554,045) |
| Total business type activities | <u>6,204,227</u> | <u>3,950,677</u> | <u>1,583,446</u> | <u>-</u> | <u>(670,104)</u> | <u>(670,104)</u> |
| Total primary governmental activities | <u>\$ 110,185,078</u> | <u>11,278,117</u> | <u>15,956,118</u> | <u>(82,280,739)</u> | <u>(670,104)</u> | <u>(82,950,843)</u> |

Exhibit B

**Johnston Community School District
Statement of Activities
Year ended June 30, 2020**

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|-----------------------|---------------------|---|---|--------------------------|--------------------------|
| | Expenses | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities | Total Primary Government |
| Totals continued from previous page | \$ 110,185,078 | 11,278,117 | 15,956,118 | (82,280,739) | (670,104) | (82,950,843) |
| General revenues and transfers: | | | | | | |
| Property tax levied for: | | | | | | |
| General purposes | | | | \$ 30,634,016 | - | 30,634,016 |
| Debt service | | | | 10,385,706 | - | 10,385,706 |
| Capital outlay | | | | 4,289,340 | - | 4,289,340 |
| Statewide sales, services and use tax shared revenue | | | | 7,313,864 | - | 7,313,864 |
| Unrestricted state grants | | | | 34,193,211 | - | 34,193,211 |
| Unrestricted investment earnings | | | | 967,018 | - | 967,018 |
| Other | | | | 1,331,506 | - | 1,331,506 |
| Transfers | | | | 192,318 | (192,318) | - |
| Total general revenues and transfers | | | | 89,306,979 | (192,318) | 89,114,661 |
| Change in net position | | | | 7,026,240 | (862,422) | 6,163,818 |
| Net position beginning of year | | | | 102,938,783 | 2,139,942 | 105,078,725 |
| Net position end of year | | | | \$ 109,965,023 | 1,277,520 | 111,242,543 |

See notes to financial statements.

Exhibit C

**Johnston Community School District
Balance Sheet
Governmental Funds
June 30, 2020**

| | General | Debt Service | Capital Projects | Non-major Special Revenue | Total |
|---|----------------------|-------------------|-------------------|---------------------------|-------------------|
| Assets | | | | | |
| Cash, cash equivalents and pooled investments | \$ 18,860,889 | 11,062,969 | 8,894,643 | 7,022,496 | 45,840,997 |
| Receivables: | | | | | |
| Property tax: | | | | | |
| Delinquent | 128,658 | 67,393 | 27,789 | 17,005 | 240,845 |
| Succeeding year | 29,434,156 | 11,445,078 | 4,719,328 | 614,994 | 46,213,556 |
| Accounts | 178,625 | - | - | 31,487 | 210,112 |
| Due from other governments | 3,668,493 | - | 616,027 | - | 4,284,520 |
| Inventories | 85,572 | - | - | - | 85,572 |
| Total assets | \$ 52,356,393 | 22,575,440 | 14,257,787 | 7,685,982 | 96,875,602 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 2,714,282 | - | 907,548 | 361,701 | 3,983,531 |
| Advances from tuition and registration fees | 77,105 | - | - | - | 77,105 |
| Salaries and benefits payable | 7,792,283 | - | - | - | 7,792,283 |
| Due to other governments | 12,409 | - | - | - | 12,409 |
| Contracts payable | - | - | 159,300 | - | 159,300 |
| Total liabilities | 10,596,079 | - | 1,066,848 | 361,701 | 12,024,628 |
| Deferred inflows of resources: | | | | | |
| Unavailable revenues: | | | | | |
| Succeeding year property tax | 29,434,156 | 11,445,078 | 4,719,328 | 614,994 | 46,213,556 |
| Advances of federal grants | 180,013 | - | - | - | 180,013 |
| Total deferred inflows of resources | 29,614,169 | 11,445,078 | 4,719,328 | 614,994 | 46,393,569 |
| Fund balances: | | | | | |
| Nonspendable for: | | | | | |
| Inventories | 85,572 | - | - | - | 85,572 |
| Restricted for: | | | | | |
| School infrastructure | - | - | 6,558,170 | - | 6,558,170 |
| Debt service | - | 11,130,362 | 974,000 | - | 12,104,362 |
| State categorical funding | 1,541,847 | - | - | - | 1,541,847 |
| Physical plant and equipment | - | - | 939,441 | - | 939,441 |
| Management levy purposes | - | - | - | 6,100,420 | 6,100,420 |
| Student activities | - | - | - | 608,867 | 608,867 |
| Unassigned | 10,518,726 | - | - | - | 10,518,726 |
| Total fund balances | 12,146,145 | 11,130,362 | 8,471,611 | 6,709,287 | 38,457,405 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 52,356,393 | 22,575,440 | 14,257,787 | 7,685,982 | 96,875,602 |

See notes to financial statements.

Exhibit D

**Johnston Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2020**

Total fund balances of governmental funds (Exhibit C) \$ 38,457,405

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 198,673,656

The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 8,815,595

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

| | | |
|--------------------------------|---------------|-----------|
| Deferred outflows of resources | \$ 10,408,330 | |
| Deferred inflows of resources | (5,912,538) | 4,495,792 |
| | | |

Long-term liabilities, including bonds and notes payable, bond discounts and premiums, compensated absences, accrued interest, lease payable, net pension liability and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

| | | |
|----------------------------------|--------------|---------------|
| General obligation bonds payable | (48,510,000) | |
| Revenue bonds payable | (48,124,000) | |
| Obligations under lease | (1,270,413) | |
| Bond discounts | 478,979 | |
| Bond premiums | (1,939,196) | |
| Accrued interest | (1,123,489) | |
| Compensated absences | (306,471) | |
| Net pension liability | (35,440,808) | |
| Other post employment benefits | (4,242,027) | (140,477,425) |
| | | |

Net position of governmental activities (Exhibit A) \$ 109,965,023

See notes to financial statements.

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2020

| | General | Debt Service | Capital Projects | Non-major Special Revenue | Total |
|---|-------------------|-------------------|-------------------|---------------------------|--------------------|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax | \$ 26,277,735 | 10,905,904 | 4,503,847 | 3,621,576 | 45,309,062 |
| Tuition | 5,960,037 | - | - | - | 5,960,037 |
| Other | 1,761,131 | 163,079 | 620,881 | 1,106,640 | 3,651,731 |
| Intermediate sources | 102,828 | - | - | - | 102,828 |
| State sources | 45,941,514 | 1,425 | 7,314,452 | 547 | 53,257,938 |
| Federal sources | 2,525,438 | - | - | - | 2,525,438 |
| Total revenues | 82,568,683 | 11,070,408 | 12,439,180 | 4,728,763 | 110,807,034 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular instruction | 36,998,314 | - | 2,028,435 | 320,763 | 39,347,512 |
| Special instruction | 14,267,261 | - | - | - | 14,267,261 |
| Other instruction | 7,999,228 | - | - | 932,527 | 8,931,755 |
| | 59,264,803 | - | 2,028,435 | 1,253,290 | 62,546,528 |
| Support services: | | | | | |
| Student services | 2,374,587 | - | - | 510 | 2,375,097 |
| Instructional staff services | 2,468,293 | - | 857,626 | - | 3,325,919 |
| Administration services | 6,358,600 | 13,683 | 146,789 | 102,947 | 6,622,019 |
| Operation and maintenance of plant services | 7,142,806 | - | 305,281 | 700,384 | 8,148,471 |
| Transportation services | 3,983,286 | - | 602,805 | 115,754 | 4,701,845 |
| | 22,327,572 | 13,683 | 1,912,501 | 919,595 | 25,173,351 |
| Non-instructional programs: | | | | | |
| Food service | - | - | - | 5,235 | 5,235 |
| Community service and education | 167,668 | - | - | 7,773 | 175,441 |
| | 167,668 | - | - | 13,008 | 180,676 |
| Capital outlay: | | | | | |
| Other expenditures | - | - | 5,928,821 | - | 5,928,821 |
| Debt Service: | | | | | |
| Other expenditures: | | | | | |
| Principal | - | 11,316,290 | - | - | 11,316,290 |
| Interest | - | 3,647,480 | - | - | 3,647,480 |
| | - | 14,963,770 | - | - | 14,963,770 |
| Intergovernmental: | | | | | |
| Other expenditures | 3,177,946 | - | - | - | 3,177,946 |
| Total expenditures | 84,937,989 | 14,977,453 | 9,869,757 | 2,185,893 | 111,971,092 |
| Excess (deficiency) of revenues over (under) expenditures | (2,369,306) | (3,907,045) | 2,569,423 | 2,542,870 | (1,164,058) |

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2020

| | General | Debt Service | Capital Projects | Non-major Special Revenue | Total |
|--------------------------------------|---------------|--------------|------------------|---------------------------|-------------|
| <i>Continued from previous page</i> | | | | | |
| Other financing sources (uses): | | | | | |
| Sale of assets | 7,739 | - | - | - | 7,739 |
| Capital leases | - | - | 1,721,703 | - | 1,721,703 |
| Transfers in | 213,508 | 8,443,527 | - | - | 8,657,035 |
| Transfers out | (21,190) | - | (8,443,527) | - | (8,464,717) |
| Total other financing sources (uses) | 200,057 | 8,443,527 | (6,721,824) | - | 1,921,760 |
| Change in fund balances | (2,169,249) | 4,536,482 | (4,152,401) | 2,542,870 | 757,702 |
| Fund balances beginning of year | 14,315,394 | 6,593,880 | 12,624,012 | 4,166,417 | 37,699,703 |
| Fund balances end of year | \$ 12,146,145 | 11,130,362 | 8,471,611 | 6,709,287 | 38,457,405 |

See notes to financial statements.

Exhibit F

**Johnston Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year ended June 30, 2020**

Change in fund balances - total governmental funds (Exhibit E) \$ 757,702

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Position and are allocated over their estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

| | | |
|--------------------------------|--------------------|-----------|
| Capital outlays: | | |
| From facilities acquisition | \$ 13,785,054 | |
| From facilities disposition | (8,600,499) | |
| Less current year depreciation | <u>(6,064,501)</u> | (879,946) |

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities. Current year items are as follows:

| | | |
|---|----------------|-----------|
| Issuance of bonds and leases | (1,721,703) | |
| Repayments of bond and note principal | 11,316,290 | |
| Amortization of bond premiums and discounts | <u>285,208</u> | 9,879,795 |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 40,078

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 4,553,391

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

| | | |
|-------------------------------|------------------|-------------|
| Compensated absences | (104,623) | |
| Pension expense | (6,691,072) | |
| Other postemployment benefits | <u>(336,964)</u> | (7,132,659) |

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in Net Position of the Internal Service Fund is reported with governmental activities. (192,121)

Change in net position of governmental activities (Exhibit B) \$ 7,026,240

See notes to financial statements.

Exhibit G

**Johnston Community School District
Statement of Net Position
Proprietary Funds
June 30, 2020**

| | Business Type Activities | Governmental Activities |
|---|----------------------------------|----------------------------|
| | Non-major Enterprise Funds | Internal Service Fund |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,203,166 | 10,410,571 |
| Receivables: | | |
| Accounts | 4,894 | - |
| Due from other governments | 118,598 | - |
| Inventories | 123,424 | - |
| Total current assets | <u>3,450,082</u> | <u>10,410,571</u> |
| Non-current assets: | | |
| Property and equipment: | | |
| Machinery and equipment | 3,184,720 | - |
| Accumulated depreciation | (2,439,076) | - |
| Total non-current assets | <u>745,644</u> | <u>-</u> |
| Total assets | <u>4,195,726</u> | <u>10,410,571</u> |
| Deferred Outflows of Resources | | |
| OPEB related deferred outflows | 51,129 | - |
| Pension related deferred outflows | 603,085 | - |
| Total deferred outflows of resources | <u>654,214</u> | <u>-</u> |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 73,657 | 51,481 |
| Advances from prepaid childcare | 43,484 | - |
| Advances from prepaid lunches | 157,873 | - |
| Insurance claims liability | - | 1,543,495 |
| Accrued salaries and benefits payable | 129,073 | - |
| Compensated absences payable | 32,314 | - |
| Total current liabilities | <u>436,401</u> | <u>1,594,976</u> |
| Non-current liabilities: | | |
| Net pension liability | 2,480,535 | - |
| Other postemployment benefits payable | 254,445 | - |
| Total non-current liabilities | <u>2,734,980</u> | <u>-</u> |
| Total liabilities | <u>3,171,381</u> | <u>1,594,976</u> |
| Deferred Inflows of Resources | | |
| OPEB related deferred inflows | 5,508 | - |
| Pension related deferred inflows | 395,531 | - |
| Total deferred inflows of resources | <u>401,039</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 745,644 | - |
| Restricted for: | | |
| Flexible benefits | - | 94,848 |
| Unrestricted | 531,876 | 8,720,747 |
| Total net position | <u>\$ 1,277,520</u> | <u>8,815,595</u> |

See notes to financial statements.

Exhibit H

Johnston Community School District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2020

| | Business Type Activities | Governmental Activities |
|--------------------------------|----------------------------------|----------------------------|
| | Non-major Enterprise Funds | Internal Service Fund |
| Operating revenue: | | |
| Local sources: | | |
| Operating revenues | \$ 3,950,677 | 12,047,062 |
| Operating expenses: | | |
| Instructional programs: | | |
| Instruction services: | | |
| Other | 320,540 | - |
| | <u>320,540</u> | <u>-</u> |
| Support services: | | |
| Depreciation | 112 | - |
| Other | 307,129 | 12,239,183 |
| | <u>307,241</u> | <u>12,239,183</u> |
| Non-instructional programs: | | |
| Food service operations: | | |
| Depreciation | 105,701 | - |
| Other | 3,123,311 | - |
| | <u>3,229,012</u> | <u>-</u> |
| Community service operations: | | |
| Depreciation | 3,695 | - |
| Other | 2,343,739 | - |
| | <u>2,347,434</u> | <u>-</u> |
| Total operating expenses | <u>6,204,227</u> | <u>12,239,183</u> |
| Operating income (loss) | <u>(2,253,550)</u> | <u>(192,121)</u> |
| Non-operating revenues: | | |
| State sources | 69,437 | - |
| Federal sources | 1,437,907 | - |
| Interest income | 76,102 | - |
| Total non-operating revenues | <u>1,583,446</u> | <u>-</u> |
| Income before transfers | (670,104) | (192,121) |
| Transfers (out) | (192,318) | - |
| Changes in net position | (862,422) | (192,121) |
| Net position beginning of year | <u>2,139,942</u> | <u>9,007,716</u> |
| Net position end of year | <u>\$ 1,277,520</u> | <u>8,815,595</u> |

See notes to financial statements.

Exhibit I

Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2020

| | Business Type Activities | Governmental Activities |
|---|----------------------------------|----------------------------|
| | Non-major Enterprise Funds | Internal Service Fund |
| Cash flows from operating activities: | | |
| Cash received from sale of lunches and breakfasts | \$ 1,585,206 | - |
| Cash received from community services | 2,365,375 | 12,047,062 |
| Cash payments to employees for services | (4,108,020) | (11,430,558) |
| Cash payments to suppliers for goods or services | (1,751,462) | (624,603) |
| Net cash provided (used) by operating activities | <u>(1,908,901)</u> | <u>(8,099)</u> |
| Cash flows from non-capital financing activities: | | |
| State grants received | 69,437 | - |
| Federal grants received | 1,233,012 | - |
| Net cash provided by non-capital financing activities | <u>1,302,449</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of capital assets | (20,157) | - |
| Transfers | (192,318) | - |
| Net cash used by capital and related financing activities | <u>(212,475)</u> | <u>-</u> |
| Cash flows from investing activities: | | |
| Interest on investments | <u>76,102</u> | <u>-</u> |
| Net increase in cash and cash equivalents | (742,825) | (8,099) |
| Cash and cash equivalents at beginning of year | 3,945,991 | 10,418,670 |
| Cash and cash equivalents at end of year | <u>3,203,166</u> | <u>10,410,571</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (2,253,550) | (192,121) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Commodities used | 204,895 | - |
| Depreciation | 109,508 | - |
| (Increase) Decrease in accounts receivable | 29,945 | - |
| (Increase) Decrease in due from other governments | (101,536) | - |
| (Increase) Decrease in inventory | (505) | - |
| Increase (decrease) in accounts payable | (49,834) | (24,900) |
| Increase in insurance claims liability | - | 208,922 |
| Increase (decrease) in salaries and benefits payable | (80,506) | - |
| Increase in unearned revenues | 71,495 | - |
| Increase (Decrease) in compensated absences | 9,912 | - |
| Increase (Decrease) in net pension liability | (136,077) | - |
| (Increase) Decrease in deferred outflows of resources | 40,348 | - |
| Increase in deferred inflows of resources | 177,363 | - |
| Increase in other post-employment benefits | 69,641 | - |
| Net cash provided (used) by operating activities | <u>\$ (1,908,901)</u> | <u>(8,099)</u> |

Exhibit I

Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2020

| Business Type Activities | Governmental Activities |
|----------------------------------|----------------------------|
| Non-major Enterprise Funds | Internal Service Fund |

Continued from previous page

**Reconciliation of cash and cash equivalents at year end to
specific assets included on Combined Balance Sheet:**

Current assets:

| | | |
|---------------------------------------|---------------------|-------------------|
| Cash and investments | \$ 3,203,166 | 10,410,571 |
| Cash and cash equivalents at year end | <u>\$ 3,203,166</u> | <u>10,410,571</u> |

Non-cash investing, capital and financing activities:

During the year ended June 30, 2020, the District received federal commodities valued at \$204,895.

See notes to financial statements.

(1) **Summary of Significant Accounting Policies**

The Johnston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades prekindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the city of Johnston, Iowa; portions of Urbandale, Des Moines, Granger and Grimes, Iowa; and other unincorporated areas of Polk County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Johnston Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Johnston Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following non-major governmental funds:

The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

The District reports the following proprietary funds:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The District reports the following non-major enterprise funds:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Preschool Fund: This fund accounts for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Flexible Benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents and Pooled Investments – The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents in that fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

The District has invested funds in the Iowa Schools Joint Investment Trust (ISJIT). ISJIT is an investment pool managed by the trustee, Bankers Trust, which allows governments within the State to pool their funds for investment purposes. ISJIT is registered with the SEC as an investment company and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2019.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments. Federal and state grants are recorded as receivables and the revenue is recognized during the period in which the District fulfills the requirements for receiving the grant awards in the government-wide statements. In the governmental fund statements, the revenue must meet the measurable and available criteria. Amounts received for which legal claims or applicable requirements have not been met are recorded as deferred revenue. Certain intergovernmental revenues have been included to spend such funds only for the purpose reported.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements on the consumption method.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position and in the proprietary funds financial statements. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(1) *Summary of Significant Accounting Policies (continued from previous page)*

| <u>Asset Class</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| Land | \$ 3,500 |
| Buildings | 3,500 |
| Improvements other than buildings | 3,500 |
| Furniture and equipment: | |
| School Nutrition Fund equipment | 500 |
| Other furniture and equipment | 3,500 |

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives (In Years)</u> |
|-----------------------------------|--|
| Buildings | 50 years |
| Improvements other than buildings | 20-50 years |
| Furniture and equipment | 5-15 years |

Interfund Activity - Transfers between governmental and business type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances – Proceeds received by the District for which services will be rendered in a succeeding fiscal year, such as prepaid tuition and registration fees, prepaid childcare and prepaid lunch money.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2020. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The District has no vesting requirement and the earned but unused vacation is all considered a current liability.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to / deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Johnston Community School District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied, other receivables not collected within sixty days after year end and unrecognized items not yet charged to pension and OPEB expense.

Fund Balance – In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned – Amounts constrained by the District's intent to use them for a specific purpose. It is the District's policy that the authority to assign fund balance has been delegated by the District's Board of Education to the Chief Financial Officer through the adoption of the budget.

Unassigned – All amounts not included in the preceding classifications. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications – committed and then unassigned fund balances.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2020, expenditures did not exceed the amounts budgeted.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2020 the District had investments in the following:

| | |
|-------------------------------------|----------------------|
| Iowa Schools Joint Investment Trust | |
| Diversified Portfolio | \$ 41,504,029 |
| Wells Fargo Bank Money Market | 5,486 |
| Checking Accounts | 17,945,219 |
| | <u>\$ 59,454,734</u> |

At June 30, 2020 the District had investments in the Iowa Schools joint Investment Trust District (ISJIT) which are valued at an amortized cost pursuant to rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Concentration of credit risk. The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet all anticipated cash requirements. The District's policy further restricts investments in short-term corporate debt and commercial paper to no more than 30 percent of the investment portfolio of the District and no more than 5 percent of the investment portfolio can be invested in the securities of a single issuer.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Chapter 12c of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

(3) Due from Other Governments

The detail of due from other governments for the year ended June 30, 2020 is as follows:

| | |
|--|---------------------|
| Due from other districts | \$ 2,967,460 |
| Due from the State of Iowa - Local sources | - |
| Due from the State of Iowa - State sources | 1,011,105 |
| Due from the State of Iowa - Federal sources | 424,553 |
| | <u>\$ 4,403,118</u> |

All amounts are expected to be collected within one year.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

| Transfer to | Transfer from | Amount |
|-------------------|--|---------------------|
| Debt Service Fund | Capital Projects Fund - Statewide Sales, Services and Use Tax | \$ 5,291,024 |
| Debt Service Fund | Capital Projects Fund - Physical Plant and Equipment Levy | 3,152,503 |
| General Fund | Community Education Fund | 120,000 |
| General Fund | Nutrition Fund | 57,318 |
| General Fund | Community Preschool Fund | 15,000 |
| | | <u>\$ 8,635,845</u> |

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. A transfer was made into the Debt Service fund to pay debt payments funded by tax collections in the Statewide Sales, Services & Use Tax fund. Transfers were made from the Community Education fund, Nutrition fund and Community Preschool fund to cover expense for shared costs paid by the General fund.

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(5) Capital Assets

Capital assets activity for the year ended June 30, 2020 is as follows:

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year |
|--|---------------------------------|-----------|------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 9,285,261 | - | - | 9,285,261 |
| Construction in progress | 5,758,046 | 4,063,161 | 8,600,499 | 1,220,708 |
| Total capital assets not being depreciated | 15,043,307 | 4,063,161 | 8,600,499 | 10,505,969 |
| Capital assets being depreciated: | | | | |
| Buildings | 225,162,487 | 8,457,130 | - | 233,619,617 |
| Improvements other than buildings | 8,871,466 | - | - | 8,871,466 |
| Furniture and equipment | 12,321,786 | 1,264,763 | - | 13,586,549 |
| Total capital assets being depreciated | 246,355,739 | 9,721,893 | - | 256,077,632 |
| Less accumulated depreciation for: | | | | |
| Buildings | 51,143,280 | 4,764,155 | - | 55,907,435 |
| Improvements other than buildings | 4,837,173 | 385,173 | - | 5,222,346 |
| Furniture and equipment | 5,864,991 | 915,173 | - | 6,780,164 |
| Total accumulated depreciation | 61,845,444 | 6,064,501 | - | 67,909,945 |
| Total capital assets being depreciated, net | 184,510,295 | 3,657,392 | - | 188,167,687 |
| Governmental activities capital assets, net | \$ 199,553,602 | 7,720,553 | 8,600,499 | 198,673,656 |
| Business type activities: | | | | |
| Furniture and equipment | \$ 3,164,563 | 20,157 | - | 3,184,720 |
| Less accumulated depreciation | 2,329,568 | 109,508 | - | 2,439,076 |
| Business-type activities capital assets, net | \$ 834,995 | (89,351) | - | 745,644 |

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

| | |
|---------|--------------|
| Regular | \$ 5,757,422 |
| Other | 3,529 |

Support services:

| | |
|--|--------------|
| Instructional staff services | 74,254 |
| Administration | 44,627 |
| Operation and maintenance of plant | 145,540 |
| Transportation | 39,129 |
| Total depreciation expense - governmental activities | \$ 6,064,501 |

Business type activities:

| | |
|---------------------|------------|
| Food services | \$ 105,701 |
| Community Preschool | 112 |
| Community Education | 3,695 |
| | \$ 109,508 |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2020 are summarized as follows:

| | Balance Beginning of Year | Additions | Reductions | Balance End of Year | Due Within One Year |
|-----------------------------------|---------------------------------|------------------|-------------------|---------------------------|---------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 56,525,000 | - | 8,015,000 | 48,510,000 | 5,045,000 |
| General obligation bond discounts | (240,917) | - | 26,010 | (214,907) | (18,907) |
| General obligation bond premiums | 775,072 | - | 161,867 | 613,205 | 82,601 |
| Revenue bonds | 50,974,000 | - | 2,850,000 | 48,124,000 | 3,739,000 |
| Revenue bond discounts | (299,565) | - | 35,497 | (264,068) | (35,497) |
| Revenue bond premiums | 1,510,838 | - | 184,846 | 1,325,992 | 184,847 |
| Obligations under lease | - | 1,721,703 | 451,290 | 1,270,413 | 410,002 |
| Early retirement payable | 717,795 | - | 717,795 | - | - |
| Net OPEB liability | 3,247,419 | 994,608 | - | 4,242,027 | - |
| Net pension liability | 37,720,291 | - | 2,279,483 | 35,440,808 | - |
| Compensated absences | 201,848 | 306,471 | 201,848 | 306,471 | 306,471 |
| Total | \$ 151,131,781 | 3,022,782 | 14,923,636 | 139,353,941 | 9,713,517 |
| Business type activities: | | | | | |
| Net OPEB liability | \$ 184,804 | 69,641 | - | 254,445 | - |
| Net pension liability | 2,616,612 | - | 136,077 | 2,480,535 | - |
| Compensated absences | 22,402 | 32,314 | 22,402 | 32,314 | 32,314 |
| Total | \$ 2,823,818 | 101,955 | 158,479 | 2,767,294 | 32,314 |

Compensated absences, pension liabilities and net OPEB liabilities are generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities.

General Obligation Bonds Payable

Details of the District's June 30, 2020 general obligation bonded indebtedness are as follows:

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) *Long-Term Liabilities*
General Obligation Bonds Payable (continued from previous page)

On December 9, 2015, the District issued \$55,300,000 of general obligation bonds to pay costs associated with refunding current indebtedness and construction of the new high school. The bonds bear interest at rates ranging from 3.00% to 3.63% per annum. During the year ended June 30, 2020, principal and interest paid were \$970,000 and \$1,310,269, respectively.

| \$55,300,000 Bond Issue of December 9, 2015 | | | | |
|---|-------|------------|------------|------------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 3.00% | 2,105,000 | 1,281,169 | 3,386,169 |
| 2022 | 3.00% | 2,170,000 | 1,218,019 | 3,388,019 |
| 2023 | 3.00% | 2,235,000 | 1,152,919 | 3,387,919 |
| 2024 | 3.00% | 2,305,000 | 1,085,869 | 3,390,869 |
| 2025 | 3.00% | 2,370,000 | 1,016,719 | 3,386,719 |
| 2026 | 3.00% | 2,445,000 | 945,619 | 3,390,619 |
| 2027 | 3.25% | 2,515,000 | 872,269 | 3,387,269 |
| 2028 | 3.25% | 2,600,000 | 790,531 | 3,390,531 |
| 2029 | 3.25% | 2,685,000 | 706,031 | 3,391,031 |
| 2030 | 3.25% | 2,770,000 | 618,769 | 3,388,769 |
| 2031 | 3.25% | 2,860,000 | 528,744 | 3,388,744 |
| 2032 | 3.38% | 2,955,000 | 435,794 | 3,390,794 |
| 2033 | 3.50% | 3,055,000 | 336,063 | 3,391,063 |
| 2034 | 3.50% | 3,160,000 | 229,138 | 3,389,138 |
| 2035 | 3.63% | 3,270,000 | 118,538 | 3,388,538 |
| Subtotal | | 39,500,000 | 11,336,188 | 50,836,188 |

On December 22, 2016, the District issued \$9,320,000 of general obligation bonds to pay costs associated with refunding current indebtedness and various school improvements. The bonds bear interest at rates ranging from 2.25% to 2.50% per annum. During the year ended June 30, 2020, principal and interest paid were \$715,000 and \$219,903, respectively.

| \$9,320,000 Bond Issue of December 22, 2016 | | | | |
|---|-------|-----------|----------|-----------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 2.25% | 2,805,000 | 203,816 | 3,008,816 |
| 2022 | 2.35% | 2,865,000 | 140,702 | 3,005,702 |
| 2023 | 2.50% | 2,935,000 | 73,376 | 3,008,376 |
| Subtotal | | 8,605,000 | 417,894 | 9,022,894 |

On December 22, 2016, the District issued \$9,320,000 of general obligation bonds to pay costs associated with various school improvements. The bonds bear interest at 2.00% per annum. During the year ended June 30, 2020, principal and interest paid were \$2,165,000 and \$51,400, respectively.

| \$8,235,000 Bond Issue of November 8, 2017 | | | | |
|--|-------|-----------|----------|---------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 2.00% | 135,000 | 8,100 | 143,100 |
| 2022 | 2.00% | 140,000 | 5,400 | 145,400 |
| 2023 | 2.00% | 130,000 | 2,600 | 132,600 |
| Subtotal | | 405,000 | 16,100 | 421,100 |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) *Long-Term Liabilities (continued from previous page)*

| Year ended June 30, | Totals | | |
|---------------------|---------------|------------|------------|
| | Principal | Interest | Total |
| 2021 | 5,045,000 | 1,493,085 | 6,538,085 |
| 2022 | 5,175,000 | 1,364,121 | 6,539,121 |
| 2023 | 5,300,000 | 1,228,895 | 6,528,895 |
| 2024 | 2,305,000 | 1,085,869 | 3,390,869 |
| 2025 | 2,370,000 | 1,016,719 | 3,386,719 |
| 2026 | 2,445,000 | 945,619 | 3,390,619 |
| 2027 | 2,515,000 | 872,269 | 3,387,269 |
| 2028 | 2,600,000 | 790,531 | 3,390,531 |
| 2029 | 2,685,000 | 706,031 | 3,391,031 |
| 2030 | 2,770,000 | 618,769 | 3,388,769 |
| 2031 | 2,860,000 | 528,744 | 3,388,744 |
| 2032 | 2,955,000 | 435,794 | 3,390,794 |
| 2033 | 3,055,000 | 336,063 | 3,391,063 |
| 2034 | 3,160,000 | 229,138 | 3,389,138 |
| 2035 | 3,270,000 | 118,538 | 3,388,538 |
| Total | \$ 48,510,000 | 11,770,182 | 60,280,182 |

Revenue Bonds Payable

Details of the District's June 30, 2020 statewide sales, services and use tax revenue bonded indebtedness are as follows:

The District has pledged future statewide sales, services and use tax revenues to repay the \$42,900,000 of bonds issued in 2013. The bonds were issued for the purpose of financing a portion of the costs of a new high school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$38,622,864. For the current year, \$2,430,000 of principal and \$1,445,706 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$7,313,864.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) Monies in the revenue account shall be disbursed to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Any monies remaining in the revenue account after the required payments may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2020.

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) *Long-Term Liabilities*
Revenue Bonds Payable (continued from previous page)

| \$42,900,000 Bond Issue of 2013 | | | | |
|---------------------------------|-------|---------------|-----------|------------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 5.0% | 2,555,000 | 1,321,081 | 3,876,081 |
| 2022 | 5.0% | 2,685,000 | 1,190,081 | 3,875,081 |
| 2023 | 5.0% | 2,820,000 | 1,052,456 | 3,872,456 |
| 2024 | 5.0% | 2,960,000 | 907,956 | 3,867,956 |
| 2025 | 3.5% | 3,110,000 | 779,531 | 3,889,531 |
| 2026 | 3.8% | 3,140,000 | 666,231 | 3,806,231 |
| 2027 | 3.8% | 3,335,000 | 544,825 | 3,879,825 |
| 2028 | 5.0% | 3,455,000 | 395,919 | 3,850,919 |
| 2029 | 4.1% | 3,625,000 | 234,778 | 3,859,778 |
| 2030 | 4.3% | 3,765,000 | 80,006 | 3,845,006 |
| Subtotal | | \$ 31,450,000 | 7,172,864 | 38,622,864 |

The District has pledged future statewide sales, services and use tax revenues to repay the \$9,740,000 of bonds issued in 2013. The bonds were issued for the purpose of financing a portion of the costs of a new high school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$10,019,751. For the current year, \$420,000 of principal and \$282,600 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$7,313,864.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) \$974,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2020.

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) *Long-Term Liabilities*
Revenue Bonds Payable (continued from previous page)

| \$9,740,000 Bond Issue of 12/4/2013 | | | | |
|-------------------------------------|-------|-----------|-----------|------------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 3.0% | 430,000 | 269,850 | 699,850 |
| 2022 | 3.0% | 440,000 | 256,800 | 696,800 |
| 2023 | 3.0% | 450,000 | 243,450 | 693,450 |
| 2024 | 3.0% | 465,000 | 229,725 | 694,725 |
| 2025 | 3.0% | 480,000 | 215,550 | 695,550 |
| 2026 | 3.0% | 495,000 | 200,925 | 695,925 |
| 2027 | 3.0% | 510,000 | 185,850 | 695,850 |
| 2028 | 3.3% | 530,000 | 169,588 | 699,588 |
| 2029 | 3.5% | 550,000 | 151,350 | 701,350 |
| 2030 | 4.0% | 3,615,000 | 131,663 | 3,746,663 |
| Subtotal | | 7,965,000 | 2,054,751 | 10,019,751 |

The District has pledged future statewide sales, services and use tax revenues to repay the \$8,709,000 of bonds issued in 2018. The bonds were issued for the purpose of financing a portion of the costs of Wallace, the ARC and a street project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$10,042,813. For the current year, \$0 in principal was paid and \$254,303 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$7,313,864.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2020.

| \$8,709,000 Bond Issue of 2018 | | | | |
|--------------------------------|-------|--------------|-----------|------------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | 2.92% | 754,000 | 243,294 | 997,294 |
| 2022 | 2.92% | 775,000 | 220,971 | 995,971 |
| 2023 | 2.92% | 800,000 | 197,976 | 997,976 |
| 2024 | 2.92% | 825,000 | 174,251 | 999,251 |
| 2025 | 2.92% | 845,000 | 149,869 | 994,869 |
| 2026 | 2.92% | 949,000 | 123,677 | 1,072,677 |
| 2027 | 2.92% | 899,000 | 96,696 | 995,696 |
| 2028 | 2.92% | 925,000 | 70,065 | 995,065 |
| 2029 | 2.92% | 953,000 | 42,647 | 995,647 |
| 2030 | 2.92% | 984,000 | 14,366 | 998,366 |
| Subtotal | | \$ 8,709,000 | 1,333,813 | 10,042,813 |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(6) *Long-Term Liabilities (continued from previous page)*

| TOTALS | | | | |
|---------------------|---------|---------------|------------|------------|
| Year ended June 30, | Rates | Principal | Interest | Total |
| 2021 | Various | 3,739,000 | 1,834,225 | 5,573,225 |
| 2022 | Various | 3,900,000 | 1,667,852 | 5,567,852 |
| 2023 | Various | 4,070,000 | 1,493,882 | 5,563,882 |
| 2024 | Various | 4,250,000 | 1,311,932 | 5,561,932 |
| 2025 | Various | 4,435,000 | 1,144,950 | 5,579,950 |
| 2026 | Various | 4,584,000 | 990,833 | 5,574,833 |
| 2027 | Various | 4,744,000 | 827,371 | 5,571,371 |
| 2028 | Various | 4,910,000 | 635,572 | 5,545,572 |
| 2029 | Various | 5,128,000 | 428,775 | 5,556,775 |
| 2030 | Various | 8,364,000 | 226,035 | 8,590,035 |
| Total | | \$ 48,124,000 | 10,561,428 | 58,685,428 |

As of June 30, 2020, the District did not exceed its legal debt margin, computed as follows:

| | |
|---|-------------------------|
| Total assessed valuation | <u>\$ 4,142,417,330</u> |
| Debit limit of 5% of total assessed valuation | 207,120,867 |
| Amount of debt applicable to debt limit, total general obligation bonded debt | <u>48,510,000</u> |
| Excess of debt limit over bonded debt issued, legal debt margin | <u>\$ 158,610,867</u> |

Capital Lease Payable

The District entered into a capital lease arrangement for the purchase of computer equipment for the District. The following is a schedule of the future minimum payments required under the lease together with its present value as of June, 30, 2020.

| Year Ending June 30, | Apple, Inc. Capital Lease | |
|---|---------------------------|---------------------|
| | Payment | Total |
| 2021 | \$ 451,290 | \$ 451,290 |
| 2022 | 451,290 | 451,290 |
| 2023 | 451,290 | 451,290 |
| Total minimum lease payments | \$ 1,353,870 | \$ 1,353,870 |
| Less amount representing interest | 83,457 | 83,457 |
| Present value of minimum lease payments | <u>\$ 1,270,413</u> | <u>\$ 1,270,413</u> |

(7) **Pension Plan**

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa, 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

(7) *Pension Plan (continued from previous page)*

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In the fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2020 were \$4,810,546.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a liability of \$37,921,343 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was 0.650501%, which was an increase of 0.012890% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$6,975,681. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 105,128 | 1,363,452 |
| Changes of assumptions | 4,061,917 | - |
| Net difference between projected and actual earnings on IPERS' investments | | 4,273,280 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,300,712 | 565,467 |
| District contributions subsequent to the measurement date | 4,810,546 | - |
| Total | \$ 10,278,303 | 6,202,199 |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(7) *Pension Plan (continued from previous page)*

\$4,810,546 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June, 30 | |
|------------------------|--------------|
| 2021 | \$ 942,292 |
| 2022 | (810,418) |
| 2023 | (371,198) |
| 2024 | (484,269) |
| 2025 | (10,849) |
| | \$ (734,442) |

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

| | |
|--|---|
| Rate of Inflation (effective June 30, 2017) | 2.60% per annum. |
| Rates of salary increase (effective June 30, 2017) | 3.25 to 16.25% average, including inflation Rates vary by membership group |
| Long-term investment rate of return (effective June 30, 2017) | 7.00% compounded annually, net of investment expense, including inflation |
| Wage growth (effective June 30, 2017) | 3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation |

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------|-------------------------|---|
| Domestic equity | 22.0% | 5.60% |
| International equity | 15.0 | 6.08 |
| Global smart beta equity | 3.0 | 5.82 |
| Core plus fixed income | 27.0 | 1.71 |
| Public credit | 3.5 | 3.32 |
| Public real assets | 7.0 | 2.81 |
| Cash | 1.0 | (0.21) |
| Private equity | 11.0 | 10.13 |
| Private real assets | 7.5 | 4.76 |
| Private credit | 3.0 | 3.01 |
| Total | 100% | |

(7) *Pension Plan (continued from previous page)*

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---------------------------|-----------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ 67,336,064 | \$ 37,921,343 | \$ 13,248,599 |

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the IPERS - At June 30, 2020, the District reported payables to IPERS of \$420,490 for legally required District contributions and \$280,179 for legally required employee contributions withheld from employee wages which had not yet remitted to IPERS.

(8) **Other Post-Employment Benefits (OPEB)**

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits for employees are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

OPEB Benefits - Individuals who are employed by Johnston Community School District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 32 |
| Active employees | 926 |
| | 958 |

Total OPEB Liability - The District's total OPEB liability of \$4,496,472 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

| | |
|---|---|
| Rate of Inflation (effective June 30, 2020) | 2.50% per annum. |
| Rates of salary increase (effective June 30, 2020) | 3.50% per annum including inflation |
| Discount rate (effective June 30, 2020) | 2.21% compounded annually, including inflation |
| Healthcare cost trend rate (effective June 30, 2020) | 6.00% initial rate decreasing by 0.50% annually to an ultimate rate of 4.50% |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(8) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

Discount Rate – The discount rate used to measure the total OPEB liability was 2.21% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2019 total dataset mortality table fully generational using Scale MP-2019. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Total OPEB liability beginning of year | \$ 3,432,223 |
| Changes for the year: | |
| Service cost | 384,738 |
| Interest | 130,180 |
| Differences between expected and actual experiences | 474,148 |
| Changes in assumptions | 270,258 |
| Benefit payments | (195,075) |
| | 1,064,249 |
| | \$ 4,496,472 |

Changes of assumptions reflect a change in the discount rate from 3.50% in fiscal year 2019 to 2.21% in fiscal year 2020.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.21%) or 1% higher (3.21%) than the current discount rate.

| | 1% Decrease (1.21%) | Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|---------------------------|-----------------------------|---------------------------|
| Total OPEB liability | \$ 4,885,000 | 4,496,472 | 4,139,000 |

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.00%) or 1% higher (8.00%) than the current healthcare cost trend rates.

| | 1% Decrease (5.00%) | Trend Rate (6.00%) | 1% Increase (7.00%) |
|----------------------|---------------------------|--------------------------|---------------------------|
| Total OPEB liability | \$ 3,939,000 | 4,496,472 | 5,164,000 |

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(8) *Other Post-Employment Benefits (OPEB) (continued from previous page)*

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the District recognized OPEB expense of \$360,560. At June 30, 2020, the District reported deferred inflows and outflows of resources related to OPEB from the following resources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 445,413 | - |
| Changes in assumptions | 338,828 | (111,378) |
| Total | <u>\$ 784,241</u> | <u>(111,378)</u> |

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized as an offset to OPEB expense as follows:

| Year ending June 30, | Amount |
|-------------------------|-------------------|
| 2021 | \$ 40,715 |
| 2022 | \$ 40,715 |
| 2023 | \$ 40,715 |
| 2024 | \$ 40,715 |
| 2025 | \$ 40,715 |
| Thereafter | 469,288 |
| | <u>\$ 672,863</u> |

(9) **Risk Management**

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In addition to the above, the District operates a partially self-funded insurance program administered by a third-party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$60,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2006 through June 30, 2020.

The District operates a totally self-funded insurance program administered by a third-party administrator for its employees' and eligible dependents' dental benefits. The program liability is limited to \$1,000 per individual per year.

Both plans receive an annual actuarial opinion and an annual report is filed with the State of Iowa Insurance Division. The insurance claims liability of \$1,543,495 reported at June 30, 2020 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The District operates a Section 125/Flex Plan whereby employee contributions are made through payroll deduction and eligible expenses are reimbursed on a weekly basis.

The above plans are reported in the Internal Services Fund.

Johnston Community School District
Notes to Financial Statements
June 30, 2020

(9) *Risk Management (continued from previous page)*

Changes in the reported liability since July 1, 2011 resulted from the following:

| | Beginning of Fiscal Year Liability | Current Year | | Balance at Fiscal Year-End |
|------|------------------------------------|---------------------------------|----------------|----------------------------|
| | | Claims and Changes in Estimates | Claim Payments | |
| 2012 | \$ 821,292 | 6,902,759 | (6,884,482) | 839,569 |
| 2013 | 839,569 | 6,684,776 | (6,708,442) | 815,903 |
| 2014 | 815,903 | 8,423,483 | (8,234,488) | 1,004,898 |
| 2015 | 1,004,898 | 7,460,500 | (7,525,271) | 940,127 |
| 2016 | 940,127 | 8,647,617 | (8,538,983) | 1,048,761 |
| 2017 | 1,048,761 | 8,943,579 | (8,888,071) | 1,104,269 |
| 2018 | 1,104,269 | 8,903,436 | (8,904,854) | 1,102,851 |
| 2019 | 1,102,851 | 10,976,060 | (10,744,338) | 1,334,573 |
| 2020 | 1,334,573 | 12,448,105 | (12,239,183) | 1,543,495 |

(10) **Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$3,177,946 for the year ended June 30, 2020 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) **Construction Commitment**

The District has entered into contracts totaling \$1,595,869 for four remodel projects. As of June 30, 2020, costs of \$1,220,708 had been incurred against the contracts. The balance of \$375,161 remaining at June 30, 2020 will be paid as work on the project progresses.

| Project | Contract Amount | Costs through June 30, 2020 |
|------------------------|---------------------|-----------------------------|
| Secondary HVAC | \$ 1,305,869 | 1,050,686 |
| Middle School - Boiler | 290,000 | 170,022 |
| | <u>\$ 1,595,869</u> | <u>1,220,708</u> |

(12) **Deficit Net Position**

A net position deficit of \$816,538 exists in the Enterprise, Community Education Fund and of \$33,394 in the Enterprise, Community Preschool Fund.

This deficit in the Enterprise, Community Education Fund results from recognizing the net pension liability (approximately \$1.4 million) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

This deficit in the Enterprise, Community Preschool Fund results from recognizing the net pension liability (approximately \$150,000) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

The deficits in both Enterprise Funds increased substantially this fiscal year due to the COVID pandemic school closure resulting in a disruption of revenues with continued expenditures.

(13) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Johnston offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

| Entity | Tax Abatement Program | Amount of Tax Abated |
|-------------------|---|----------------------|
| City of Johnston | Urban renewal and economic development projects | \$ 1,138,300 |
| City of Urbandale | Urban renewal and economic development projects | 39,225 |
| City of Grimes | Urban renewal and economic development projects | 125,579 |

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2020 this reimbursement amounted to \$622,014.

(14) Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2020.

| Program | Amount |
|---|---------------------|
| Dropout prevention | \$ 84,599 |
| Salary improvement | 4,685 |
| Gifted and talented program | 154,915 |
| Teacher leadership | 282,514 |
| Successful progression for early learners | 190,036 |
| Homeschool | 6,929 |
| Flexibility - statewide voluntary preschool | 249,629 |
| Flexibility - professional development | 568,540 |
| Total | <u>\$ 1,541,847</u> |

Required Supplementary Information

Johnston Community School District
 Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances
 Budget and Actual - All Governmental Funds and Proprietary Fund
 Required Supplementary Information
 Year ended June 30, 2020

| | Governmental | Proprietary | Total Actual | Budgeted | | Final to Actual |
|--|---------------|-------------|--------------|-------------|--------------|------------------------|
| | Funds | Funds | | Amounts | | Variance- |
| | Actual | Actual | | Original | Final | Positive (Negative) |
| Revenues: | | | | | | |
| Local sources | \$ 54,920,830 | 4,026,779 | 58,947,609 | 58,053,516 | 58,053,516 | 894,093 |
| Intermediate sources | 102,828 | - | 102,828 | 101,075 | 101,075 | 1,753 |
| State sources | 53,257,938 | 69,437 | 53,327,375 | 54,642,027 | 54,642,027 | (1,314,652) |
| Federal sources | 2,525,438 | 1,437,907 | 3,963,345 | 3,992,597 | 3,992,597 | (29,252) |
| Total revenues | 110,807,034 | 5,534,123 | 116,341,157 | 116,789,215 | 116,789,215 | (448,058) |
| Expenditures: | | | | | | |
| Instruction | 62,546,528 | 320,540 | 62,867,068 | 64,240,875 | 66,040,875 | (3,173,807) |
| Support services | 25,173,351 | 307,241 | 25,480,592 | 24,474,851 | 26,574,900 | (1,094,308) |
| Noninstructional programs | 180,676 | 5,576,446 | 5,757,122 | 6,900,646 | 7,125,000 | (1,367,878) |
| Other expenditures | 24,070,537 | - | 24,070,537 | 28,080,910 | 30,081,000 | (6,010,463) |
| Total expenditures | 111,971,092 | 6,204,227 | 118,175,319 | 123,697,282 | 129,821,775 | (11,646,456) |
| Excess (deficiency) of revenues over (under) expenditures | (1,164,058) | (670,104) | (1,834,162) | (6,908,067) | (13,032,560) | 11,198,398 |
| Other financing sources (uses), net | 1,921,760 | (192,318) | 1,729,442 | 5,075 | 5,075 | 1,724,367 |
| Change in fund balance | 757,702 | (862,422) | (104,720) | (6,902,992) | (13,027,485) | 12,922,765 |
| Balances beginning of year | 37,699,703 | 2,139,942 | 39,839,645 | 35,843,217 | 35,843,217 | 3,996,428 |
| Balances end of year | \$ 38,457,405 | 1,277,520 | 39,734,925 | 28,940,225 | 22,815,732 | 16,919,193 |

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Budgetary Reporting
Year Ended June 30, 2020

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's Budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$6,124,493.

During the year ended June 30, 2020, expenditures did not exceed the District's budget.

**Johnston Community School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employee's Retirement System
For the Last Six Fiscal Years* (In Thousands)
Required Supplementary Information**

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| District's proportion of the net pension liability | 0.650501% | 0.637611% | 0.618953% | 0.643295% | 0.637961% | 0.642155% |
| District's proportionate share of the net pension liability | \$ 37,921 | 40,337 | 40,861 | 40,117 | 31,716 | 25,989 |
| District's covered payroll | \$ 49,816 | 47,918 | 45,789 | 45,752 | 43,990 | 42,880 |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 76.12% | 84.18% | 89.24% | 87.68% | 72.10% | 60.61% |
| IPERS' net position as a percentage of the total pension liability | 85.45% | 83.62% | 82.21% | 81.82% | 85.19% | 87.61% |

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

Johnston Community School District
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last 10 Fiscal Years (In Thousands)
Required Supplementary Information

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|
| Statutorily required contribution | \$ 4,810 | \$ 4,703 | 4,279 | 4,089 | 4,086 | 3,930 | 3,829 | 3,035 | 3,159 | 2,615 |
| Contributions in relation to the statutorily required contribution | (4,810) | (4,703) | (4,279) | (4,089) | (4,086) | (3,930) | (3,829) | (3,035) | (3,159) | (2,615) |
| Contribution deficiency (excess) | \$ - | - | - | - | - | - | - | - | - | - |
| District's covered payroll | \$ 50,884 | \$ 49,816 | 47,918 | 45,789 | 45,752 | 43,990 | 42,880 | 35,009 | 39,144 | 37,620 |
| Contributions as a percentage of covered-employee payroll | 9.45% | 9.44% | 8.93% | 8.93% | 8.93% | 8.93% | 8.93% | 8.67% | 8.07% | 6.95% |

See accompanying independent auditor's report.

Johnston Community School District
Notes to Required Supplementary Information - Pension Liability
Year Ended June 30, 2020

Changes of benefit terms:

There were no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**Johnston Community School District
Schedule of Changes in the District's
Total OPEB Liability, Related Ratios and Notes
For the Last Three Years
Required Supplementary Information**

| | 2020 | 2019 | 2018 |
|--|---------------------|------------------|------------------|
| Service cost | \$ 384,738 | 353,543 | 340,371 |
| Interest cost | 130,180 | 126,591 | 118,855 |
| Difference between expected and actual experiences | - | - | - |
| Changes in assumptions | 744,406 | 103,555 | (152,476) |
| Benefit payments | (195,075) | (138,020) | (102,504) |
| Net change in total OPEB liability | 1,064,249 | 445,669 | 204,246 |
| Total OPEB liability beginning of year | 3,432,223 | 2,986,554 | 2,782,309 |
| Total OPEB liability end of year | <u>\$ 4,496,472</u> | <u>3,432,223</u> | <u>2,986,555</u> |
| Covered-employee payroll | \$ 33,039,404 | 39,681,000 | 38,338,704 |
| Total OPEB liability as a percentage of covered-employee payroll | 13.61% | 8.65% | 7.79% |

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

| | |
|--------------------------|-------|
| Year ended June 30, 2020 | 2.21% |
| Year ended June 30, 2019 | 3.50% |
| Year ended June 30, 2018 | 3.87% |
| Year ended June 30, 2017 | 3.58% |

See accompanying independent auditor's report.

Supplementary Information
Combining and Individual Fund Financial Statements and Schedules

Schedule 1

**Johnston Community School District
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020**

| Assets | Management | Student Activity | Total |
|---|---------------------|---------------------|------------------|
| Assets: | | | |
| Cash, cash equivalent and pooled investments | \$ 6,413,136 | 609,360 | 7,022,496 |
| Receivables: | | | |
| Accounts | 9,318 | 22,169 | 31,487 |
| Property tax: | | | |
| Delinquent | 17,005 | - | 17,005 |
| Succeeding year | 614,994 | - | 614,994 |
| Total assets | \$ 7,054,453 | 631,529 | 7,685,982 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 339,039 | 22,662 | 361,701 |
| Total liabilities | 339,039 | 22,662 | 361,701 |
| Deferred inflows of resources: | | | |
| Unavailable revenue | | | |
| Succeeding year property tax | 614,994 | - | 614,994 |
| Total deferred inflows of resources | 614,994 | - | 614,994 |
| Fund balances: | | | |
| Restricted for: | | | |
| Management levy purposes | 6,100,420 | - | 6,100,420 |
| Student activities | - | 608,867 | 608,867 |
| Total fund balances | 6,100,420 | 608,867 | 6,709,287 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 7,054,453 | 631,529 | 7,685,982 |

See accompanying independent auditor's report.

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2020

| | Management | Student Activity | Total |
|------------------------------------|------------------|------------------|------------------|
| Revenues: | | | |
| Local sources: | | | |
| Local tax: | | | |
| Property tax | \$ 3,537,261 | - | 3,537,261 |
| Utility tax replacement excise tax | 81,854 | - | 81,854 |
| Mobile home tax | 2,461 | - | 2,461 |
| | <u>3,621,576</u> | <u>-</u> | <u>3,621,576</u> |
| Other local sources: | | | |
| Student activities | - | 636,671 | 636,671 |
| Donations | - | 130,235 | 130,235 |
| Other local revenue | 263,289 | 76,445 | 339,734 |
| | <u>263,289</u> | <u>843,351</u> | <u>1,106,640</u> |
| | <u>3,884,865</u> | <u>843,351</u> | <u>4,728,216</u> |
| State sources: | | | |
| Revenue in lieu of taxes : | | | |
| Military credit | 547 | - | 547 |
| | <u>547</u> | <u>-</u> | <u>547</u> |
| Total revenues | <u>3,885,412</u> | <u>843,351</u> | <u>4,728,763</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular instruction: | | | |
| Salaries | 7,500 | - | 7,500 |
| Benefits | 307,673 | - | 307,673 |
| Purchased services | 2,500 | - | 2,500 |
| Supplies | 2,110 | - | 2,110 |
| Property | 980 | - | 980 |
| | <u>320,763</u> | <u>-</u> | <u>320,763</u> |
| Co-curricular instruction: | | | |
| Salaries | - | 2,809 | 2,809 |
| Benefits | - | 290 | 290 |
| Purchased services | - | 269,286 | 269,286 |
| Supplies | - | 558,135 | 558,135 |
| Property | - | 60,291 | 60,291 |
| Other | - | 41,716 | 41,716 |
| | <u>-</u> | <u>932,527</u> | <u>932,527</u> |
| Total instruction | <u>320,763</u> | <u>932,527</u> | <u>1,253,290</u> |

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2020

| | Management | Student Activity | Total |
|-------------------------------------|---------------------|------------------|------------------|
| <i>Continued from previous page</i> | | | |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Student support: | | | |
| Benefits | 510 | - | 510 |
| Purchased services | - | - | - |
| | <u>510</u> | <u>-</u> | <u>510</u> |
| Administration: | | | |
| Benefits | 66,902 | - | 66,902 |
| Purchased services | 31,569 | 4,476 | 36,045 |
| Supplies | - | - | - |
| | <u>98,471</u> | <u>4,476</u> | <u>102,947</u> |
| Plant operation and maintenance: | | | |
| Benefits | 68,136 | - | 68,136 |
| Purchased services | 632,248 | - | 632,248 |
| | <u>700,384</u> | <u>-</u> | <u>700,384</u> |
| Student transportation: | | | |
| Benefits | 76,097 | - | 76,097 |
| Purchased services | 28,303 | 11,354 | 39,657 |
| | <u>104,400</u> | <u>11,354</u> | <u>115,754</u> |
| Total support services | <u>903,765</u> | <u>15,830</u> | <u>919,595</u> |
| Non-instructional Programs: | | | |
| Food services | | | |
| Benefits | 5,235 | - | 5,235 |
| Community service & education: | | | |
| Benefits | 7,773 | - | 7,773 |
| Total non-instructional programs | <u>13,008</u> | <u>-</u> | <u>13,008</u> |
| Total expenditures | <u>1,237,536</u> | <u>948,357</u> | <u>2,185,893</u> |
| Change in fund balances | 2,647,876 | (105,006) | 2,542,870 |
| Fund balances beginning of year | <u>3,452,544</u> | <u>713,873</u> | <u>4,166,417</u> |
| Fund balances end of year | <u>\$ 6,100,420</u> | <u>608,867</u> | <u>6,709,287</u> |

See accompanying independent auditor's report.

Johnston Community School District
Subcombining Balance Sheet
Capital Projects Fund Accounts
June 30, 2020

| | Capital Projects | | |
|---|--|--------------------------------------|-------------------|
| | Statewide Sales, Services and Use Tax | Physical Plant and Equipment Levy | Total |
| Assets | | | |
| Cash, cash equivalents and pooled investments | \$ 7,869,828 | 1,024,815 | 8,894,643 |
| Receivables: | | | |
| Property tax: | | | |
| Delinquent | - | 27,789 | 27,789 |
| Succeeding year | - | 4,719,328 | 4,719,328 |
| Due from other governments | 616,027 | - | 616,027 |
| Total assets | \$ 8,485,855 | 5,771,932 | 14,257,787 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | |
| Liabilities: | | | |
| Accounts payable | \$ 798,339 | 109,209 | 907,548 |
| Contracts Payable | 155,346 | 3,954 | 159,300 |
| Total liabilities | 953,685 | 113,163 | 1,066,848 |
| Deferred inflows of resources: | | | |
| Unavailable revenues: | | | |
| Succeeding year property tax | - | 4,719,328 | 4,719,328 |
| Total deferred inflows of resources | - | 4,719,328 | 4,719,328 |
| Fund balances: | | | |
| Restricted for: | | | |
| School infrastructure | 6,558,170 | - | 6,558,170 |
| Debt Service | 974,000 | - | 974,000 |
| Physical plant and equipment | - | 939,441 | 939,441 |
| Total fund balances | 7,532,170 | 939,441 | 8,471,611 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 8,485,855 | 5,771,932 | 14,257,787 |

See accompanying independent auditor's report.

Schedule 4

Johnston Community School District
Subcombining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund Accounts
Year ended June 30, 2020

| | Capital Projects | | |
|---|---|---|--------------------|
| | Statewide Sales, Services and Use Tax | Physical Plant and Equipment Levy | Total |
| Revenues: | | | |
| Local sources: | | | |
| Local tax | \$ - | 4,503,847 | 4,503,847 |
| Other | 135,200 | 485,681 | 620,881 |
| State sources | 7,313,864 | 588 | 7,314,452 |
| Total revenues | <u>7,449,064</u> | <u>4,990,116</u> | <u>12,439,180</u> |
| Expenditures: | | | |
| Current: | | | |
| Instructional Services: | | | |
| Regular instruction | 1,958,697 | 69,738 | 2,028,435 |
| Support Services: | | | |
| Instructional staff services | 812,446 | 45,180 | 857,626 |
| Administration | 140,255 | 6,534 | 146,789 |
| Plant operation and maintenance | 105,457 | 199,824 | 305,281 |
| Transportation | - | 602,805 | 602,805 |
| Other expenditures | | | |
| Facilities acquisition | 4,788,127 | 1,140,694 | 5,928,821 |
| Total expenditures | <u>7,804,982</u> | <u>2,064,775</u> | <u>9,869,757</u> |
| Excess (deficiency) of revenues over (under) expenditures | (355,918) | 2,925,341 | 2,569,423 |
| Other financing sources (uses): | | | |
| Capital leases | 1,721,703 | - | 1,721,703 |
| Operating transfers out | (5,291,024) | (3,152,503) | (8,443,527) |
| Total other financing uses | <u>(3,569,321)</u> | <u>(3,152,503)</u> | <u>(6,721,824)</u> |
| Change in fund balances | (3,925,239) | (227,162) | (4,152,401) |
| Fund balances beginning of year | <u>11,457,409</u> | <u>1,166,603</u> | <u>12,624,012</u> |
| Fund balances end of year | <u>\$ 7,532,170</u> | <u>939,441</u> | <u>8,471,611</u> |

See accompanying independent auditor's report.

Schedule 5

Johnston Community School District
Combining Statement of Net Position
Proprietary Funds
June 30, 2020

| | Business Type Activities | | | | Governmental Activities | | |
|---|--------------------------|------------------------|---------------------|------------------|--------------------------|----------------------|-------------------|
| | Enterprise Funds | | | | Internal Service Funds | | |
| | Community Education | Community Preschool | School Nutrition | Total | Self-funded Insurance | Flexible Benefits | Total |
| Assets | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 638,901 | 126,926 | 2,437,339 | 3,203,166 | 10,304,202 | 106,369 | 10,410,571 |
| Receivables: | | | | | | | |
| Accounts | 4,624 | 270 | - | 4,894 | - | - | - |
| Due from other governments | - | - | 118,598 | 118,598 | - | - | - |
| Inventories | - | - | 123,424 | 123,424 | - | - | - |
| Total current assets | 643,525 | 127,196 | 2,679,361 | 3,450,082 | 10,304,202 | 106,369 | 10,410,571 |
| Non-current assets: | | | | | | | |
| Property and equipment: | | | | | | | |
| Machinery and equipment | 175,868 | 8,178 | 3,000,674 | 3,184,720 | - | - | - |
| Accumulated depreciation | (161,688) | (7,544) | (2,269,844) | (2,439,076) | - | - | - |
| Total non-current assets | 14,180 | 634 | 730,830 | 745,644 | - | - | - |
| Total assets | 657,705 | 127,830 | 3,410,191 | 4,195,726 | 10,304,202 | 106,369 | 10,410,571 |
| Deferred Outflows of Resources | | | | | | | |
| OPEB related deferred outflows | 12,605 | 5,239 | 33,285 | 51,129 | - | - | - |
| Pension related deferred outflows | 323,933 | 34,150 | 245,002 | 603,085 | - | - | - |
| Total deferred outflows of resources | 336,538 | 39,389 | 278,287 | 654,214 | - | - | - |
| Liabilities | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | 8,664 | - | 64,993 | 73,657 | 39,960 | 11,521 | 51,481 |
| Advances from prepaid childcare | 43,484 | - | - | 43,484 | - | - | - |
| Advances from prepaid lunches | - | - | 157,873 | 157,873 | - | - | - |
| Insurance claims liability | - | - | - | - | 1,543,495 | - | 1,543,495 |
| Accrued salaries and benefits payable | 9,390 | 77 | 119,606 | 129,073 | - | - | - |
| Compensated absences | 19,740 | - | 12,574 | 32,314 | - | - | - |
| Total current liabilities | 81,278 | 77 | 355,046 | 436,401 | 1,583,455 | 11,521 | 1,594,976 |
| Non-current liabilities: | | | | | | | |
| Net pension liability | 1,439,415 | 149,428 | 891,692 | 2,480,535 | - | - | - |
| Other postemployment benefits payable | 66,727 | 21,664 | 166,054 | 254,445 | - | - | - |
| Total non-current liabilities | 1,506,142 | 171,092 | 1,057,746 | 2,734,980 | - | - | - |
| Total liabilities | 1,587,420 | 171,169 | 1,412,792 | 3,171,381 | 1,583,455 | 11,521 | 1,594,976 |
| Deferred Inflows of Resources | | | | | | | |
| OPEB related deferred inflows | 1,560 | 353 | 3,595 | 5,508 | - | - | - |
| Pension related deferred inflows | 221,801 | 29,091 | 144,639 | 395,531 | - | - | - |
| Total deferred inflows of resources | 223,361 | 29,444 | 148,234 | 401,039 | - | - | - |
| Net Position | | | | | | | |
| Invested in capital assets | 14,180 | 634 | 730,830 | 745,644 | - | - | - |
| Restricted for: | | | | | | | |
| Flexible benefits | - | - | - | - | - | 94,848 | 94,848 |
| Unrestricted | (830,718) | (34,028) | 1,396,622 | 531,876 | 8,720,747 | - | 8,720,747 |
| Total Net Position | \$ (816,538) | (33,394) | 2,127,452 | 1,277,520 | 8,720,747 | 94,848 | 8,815,595 |

See accompanying independent auditor's report.

Schedule 6

Johnston Community School District
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year ended June 30, 2020

| | Business Type Activities | | | | Governmental Activities | | |
|-------------------------------|--------------------------|---------------------|------------------|-------------|-------------------------|-------------------|------------|
| | Enterprise Funds | | | | Internal Service Funds | | |
| | Community Education | Community Preschool | School Nutrition | Total | Self-funded Insurance | Flexible Benefits | Total |
| Operating revenues: | | | | | | | |
| Local sources: | | | | | | | |
| Other local sources: | | | | | | | |
| Food service sales | \$ - | - | 1,635,857 | 1,635,857 | - | - | - |
| Daycare service fees | 1,835,525 | - | - | 1,835,525 | - | - | - |
| Community education fees | 251,572 | 218,204 | - | 469,776 | - | - | - |
| Charges for services | - | - | - | - | 11,669,676 | 377,386 | 12,047,062 |
| Other operating income | - | 1,296 | 8,223 | 9,519 | - | - | - |
| Total operating revenues | 2,087,097 | 219,500 | 1,644,080 | 3,950,677 | 11,669,676 | 377,386 | 12,047,062 |
| Operating expenses: | | | | | | | |
| Instructional programs: | | | | | | | |
| Instructional services: | | | | | | | |
| Salaries | - | 137,047 | - | 137,047 | - | - | - |
| Benefits | - | 64,519 | - | 64,519 | - | - | - |
| Services | - | 47,879 | - | 47,879 | - | - | - |
| Supplies | - | 3,272 | - | 3,272 | - | - | - |
| Other | 67,823 | - | - | 67,823 | - | - | - |
| | 67,823 | 252,717 | - | 320,540 | - | - | - |
| Support Services: | | | | | | | |
| Administrative services: | | | | | | | |
| Salaries | 68,873 | 36,377 | - | 105,250 | - | - | - |
| Benefits | 22,134 | 16,103 | - | 38,237 | 11,244,548 | - | 11,244,548 |
| Services | 128,838 | 3,641 | 3,094 | 135,573 | 610,159 | 384,476 | 994,635 |
| Supplies | - | - | - | - | - | - | - |
| Depreciation | - | 112 | - | 112 | - | - | - |
| | 219,845 | 56,233 | 3,094 | 279,172 | 11,854,707 | 384,476 | 12,239,183 |
| Transportation services: | | | | | | | |
| Services | 28,069 | - | - | 28,069 | - | - | - |
| | 28,069 | - | - | 28,069 | - | - | - |
| | 247,914 | 56,233 | 3,094 | 307,241 | 11,854,707 | 384,476 | 12,239,183 |
| Non-instructional programs: | | | | | | | |
| Food services operations: | | | | | | | |
| Salaries | - | - | 1,209,527 | 1,209,527 | - | - | - |
| Benefits | - | - | 542,484 | 542,484 | - | - | - |
| Services | - | - | 8,351 | 8,351 | - | - | - |
| Supplies | - | - | 1,361,557 | 1,361,557 | - | - | - |
| Other | - | - | 1,392 | 1,392 | - | - | - |
| Depreciation | - | - | 105,701 | 105,701 | - | - | - |
| | - | - | 3,229,012 | 3,229,012 | - | - | - |
| Community service operations: | | | | | | | |
| Salaries | 1,647,023 | - | - | 1,647,023 | - | - | - |
| Benefits | 444,614 | - | - | 444,614 | - | - | - |
| Services | 8,905 | - | - | 8,905 | - | - | - |
| Supplies | 222,999 | - | - | 222,999 | - | - | - |
| Other | 20,198 | - | - | 20,198 | - | - | - |
| Depreciation | 3,695 | - | - | 3,695 | - | - | - |
| | 2,347,434 | - | - | 2,347,434 | - | - | - |
| | 2,347,434 | - | 3,229,012 | 5,576,446 | - | - | - |
| Total operating expenses | 2,663,171 | 308,950 | 3,232,106 | 6,204,227 | 11,854,707 | 384,476 | 12,239,183 |
| Operating income (loss) | (576,074) | (89,450) | (1,588,026) | (2,253,550) | (185,031) | (7,090) | (192,121) |

Schedule 6

Johnston Community School District
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds
 Year ended June 30, 2020

| | Business Type Activities | | | | Governmental Activities | | |
|--|--------------------------|------------------------|---------------------|-----------|--------------------------|----------------------|-----------|
| | Enterprise Funds | | | | Internal Service Funds | | |
| | Community Education | Community Preschool | School Nutrition | Total | Self-funded Insurance | Flexible Benefits | Total |
| <i>Continued from previous page</i> | | | | | | | |
| Non-operating revenues: | | | | | | | |
| State grants | - | 44,796 | - | 44,796 | - | - | - |
| State lunch and breakfast program claims | - | - | 24,641 | 24,641 | - | - | - |
| National School Lunch Program | - | - | 1,097,032 | 1,097,032 | - | - | - |
| School Breakfast Program | - | - | 124,995 | 124,995 | - | - | - |
| Federal food commodities revenue | - | - | 204,895 | 204,895 | - | - | - |
| Summer Food Program | - | - | 10,985 | 10,985 | - | - | - |
| Interest income | 22,029 | 2,980 | 51,093 | 76,102 | - | - | - |
| Total non-operating revenues | 22,029 | 47,776 | 1,513,641 | 1,583,446 | - | - | - |
| Income (loss) before transfers | (554,045) | (41,674) | (74,385) | (670,104) | (185,031) | (7,090) | (192,121) |
| Other financing sources (uses): | | | | | | | |
| Transfers in | - | - | 21,190 | 21,190 | - | - | - |
| Transfers (out) | (120,000) | (15,000) | (78,508) | (213,508) | - | - | - |
| Total other financing uses | (120,000) | (15,000) | (57,318) | (192,318) | - | - | - |
| Changes in Net Position | (674,045) | (56,674) | (131,703) | (862,422) | (185,031) | (7,090) | (192,121) |
| Net Position beginning of year | (142,493) | 23,280 | 2,259,155 | 2,139,942 | 8,905,778 | 101,938 | 9,007,716 |
| Net Position end of year | \$ (816,538) | (33,394) | 2,127,452 | 1,277,520 | 8,720,747 | 94,848 | 8,815,595 |

See accompanying independent auditor's report.

Schedule 7

Johnston Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2020

| | Business Type Activities | | | | Governmental Activities | | |
|---|--------------------------|---------------------|------------------|-------------|-------------------------|-------------------|--------------|
| | Community Education | Community Preschool | School Nutrition | Total | Self-funded Insurance | Flexible Benefits | Total |
| Cash flows from operating activities: | | | | | | | |
| Cash received from sale of lunches and breakfasts | \$ - | - | 1,585,206 | 1,585,206 | - | - | - |
| Cash received from community services | 2,145,659 | 219,716 | - | 2,365,375 | 11,669,676 | 377,386 | 12,047,062 |
| Cash paid to employees for services | (2,176,135) | (243,227) | (1,688,658) | (4,108,020) | (11,035,626) | (394,932) | (11,430,558) |
| Cash paid to suppliers for goods or services | (559,019) | (55,323) | (1,137,120) | (1,751,462) | (624,603) | - | (624,603) |
| Net cash provided (used) by operating activities | (589,495) | (78,834) | (1,240,572) | (1,908,901) | 9,447 | (17,546) | (8,099) |
| Cash flows from non-capital financing activities: | | | | | | | |
| State grants received | - | 44,796 | 24,641 | 69,437 | - | - | - |
| Federal grants received | - | - | 1,233,012 | 1,233,012 | - | - | - |
| Net cash provided by non-capital financing activities | - | 44,796 | 1,257,653 | 1,302,449 | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | | |
| Acquisition of capital assets | (6,235) | - | (13,922) | (20,157) | - | - | - |
| Transfers | (120,000) | (15,000) | (57,318) | (192,318) | - | - | - |
| Net cash used by capital and related financing activities | (126,235) | (15,000) | (71,240) | (212,475) | - | - | - |
| Cash flows from investing activities: | | | | | | | |
| Interest on investments | 22,029 | 2,980 | 51,093 | 76,102 | - | - | - |
| Net increase (decrease) in cash and cash equivalents | (693,701) | (46,058) | (3,066) | (742,825) | 9,447 | (17,546) | (8,099) |
| Cash and cash equivalents at beginning of year | 1,332,602 | 172,984 | 2,440,405 | 3,945,991 | 10,294,755 | 123,915 | 10,418,670 |
| Cash and cash equivalents at end of year | \$ 638,901 | 126,926 | 2,437,339 | 3,203,166 | 10,304,202 | 106,369 | 10,410,571 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Operating income (loss) | \$ (576,074) | (89,450) | (1,588,026) | (2,253,550) | (185,031) | (7,090) | (192,121) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Commodities used | - | - | 204,895 | 204,895 | - | - | - |
| Depreciation | 3,695 | 112 | 105,701 | 109,508 | - | - | - |
| (Increase) decrease in accounts receivable | 29,729 | 216 | - | 29,945 | - | - | - |
| (Increase) decrease in due from other governments | - | - | (101,536) | (101,536) | - | - | - |
| (Increase) decrease in inventories | - | - | (505) | (505) | - | - | - |
| Increase (decrease) in accounts payable | (82,187) | (531) | 32,884 | (49,834) | (14,444) | (10,456) | (24,900) |
| Increase in insurance claims liability | - | - | - | - | 208,922 | - | 208,922 |
| Increase (decrease) in salaries and benefits payable | (71,975) | 77 | (8,608) | (80,506) | - | - | - |
| Increase (decrease) in unearned revenues | 28,833 | - | 42,662 | 71,495 | - | - | - |
| Increase (decrease) in compensated absences | 5,057 | - | 4,855 | 9,912 | - | - | - |
| Increase (decrease) in net pension liability | (71,990) | (8,881) | (55,206) | (136,077) | - | - | - |
| (Increase) decrease in deferred outflows of resources | 39,246 | 1,324 | (222) | 40,348 | - | - | - |
| Increase (decrease) in deferred inflows of resources | 88,910 | 11,198 | 77,255 | 177,363 | - | - | - |
| Increase (decrease) in other post-employment benefits | 17,261 | 7,101 | 45,279 | 69,641 | - | - | - |
| Net cash provided (used) by operating activities | \$ (589,495) | (78,834) | (1,240,572) | (1,908,901) | 9,447 | (17,546) | (8,099) |

Schedule 7

Johnston Community School District
 Combining Statement of Cash Flows
 Proprietary Funds
 Year ended June 30, 2020

| | Business Type Activities | | | | Governmental Activities | | |
|---|--------------------------|---------------------|------------------|-----------|-------------------------|-------------------|------------|
| | Community Education | Community Preschool | School Nutrition | Total | Self-funded Insurance | Flexible Benefits | Total |
| <i>Continued from previous page</i> | | | | | | | |
| Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet: | | | | | | | |
| Current assets: | | | | | | | |
| Cash and investments | \$ 638,901 | 126,926 | 2,437,339 | 3,203,166 | 10,304,202 | 106,369 | 10,410,571 |
| Cash and cash equivalents at year end | \$ 638,901 | 126,926 | 2,437,339 | 3,203,166 | 10,304,202 | 106,369 | 10,410,571 |

Non-cash investing, capital and financing activities:

During the year ended June 30, 2020, the District received federal commodities valued at \$204,895.

See accompanying independent auditor's report.

Supplementary Information
Capital Assets used in the Operation of Governmental Funds

Schedule 8

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2020

Governmental funds capital assets

| | |
|-----------------------------------|------------------|
| Land and improvements | \$ 18,156,727 |
| Buildings and improvements | 233,619,617 |
| Vehicles, furniture and equipment | 13,586,549 |
| Construction in progress | <u>1,220,708</u> |

Total governmental funds capital assets \$ 266,583,601

Investments in governmental funds capital assets by source

| | |
|------------------------|--------------------|
| General Fund | \$ 10,794,153 |
| Special Revenue Funds | 397,323 |
| Capital Projects Funds | <u>255,392,125</u> |

Total governmental funds capital assets \$ 266,583,601

See accompanying independent auditor's report.

Schedule 9

**Johnston Community School District
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2020**

| Function and Activity | Land and Improvements | Buildings and Improvements | Vehicles, Furniture and Equipment | Construction in Progress | Total |
|---|--------------------------|-------------------------------|---|-----------------------------|--------------------|
| Instruction | \$ 16,615,719 | 230,604,687 | 9,412,421 | 1,220,708 | 257,853,535 |
| Other instruction | 371,476 | 95,986 | - | - | 467,462 |
| Support services - instructional staff | 441,545 | - | 1,828,751 | - | 2,270,296 |
| Administration | 328,878 | 1,191,161 | 368,332 | - | 1,888,371 |
| Operation and maintenance of plant services | 147,882 | 1,727,783 | 1,702,805 | - | 3,578,470 |
| Student transportation services | 251,227 | - | 274,240 | - | 525,467 |
| Total | <u>\$ 18,156,727</u> | <u>233,619,617</u> | <u>13,586,549</u> | <u>1,220,708</u> | <u>266,583,601</u> |

See accompanying independent auditor's report.

Schedule 10

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year ended June 30, 2020

| Function and Activity | July 1, 2019 | Additions | Deletions | June 30, 2020 |
|---|-----------------------|-------------------|------------------|----------------------|
| Instruction | \$ 253,302,640 | 13,151,394 | 8,600,499 | 257,853,535 |
| Other instruction | 439,754 | 27,708 | - | 467,462 |
| Support services - instructional staff | 2,073,718 | 196,578 | - | 2,270,296 |
| Administration | 1,845,956 | 42,415 | - | 1,888,371 |
| Operation and maintenance of plant services | 3,260,175 | 318,295 | - | 3,578,470 |
| Student transportation services | 476,803 | 48,664 | - | 525,467 |
| Total | <u>\$ 261,399,046</u> | <u>13,785,054</u> | <u>8,600,499</u> | <u>266,583,601</u> |

See accompanying independent auditor's report.

**Supplementary Information
Other Financial Schedules**

Schedule 11

Johnston Community School District
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 Year ended June 30, 2019

| Account | Balance Beginning of Year | Revenues | Expenditures | Intrafund Transfers | Balanced End of Year |
|-------------------------|---------------------------|-----------|--------------|---------------------|----------------------|
| Elementary Schools: | | | | | |
| Lawson Elementary | \$ 2,404 | - | - | - | 2,404 |
| Timber Ridge Elementary | 242 | 500 | 220 | - | 522 |
| Beaver Creek Elementary | 2,500 | 490 | 690 | - | 2,300 |
| Horizon | 1,558 | - | - | - | 1,558 |
| Summit Middle School: | | | | | |
| Drama Club | - | 1,337 | - | - | 1,337 |
| Student Council | 3,984 | 2,040 | 1,641 | - | 4,383 |
| Yearbook | 2,927 | 13,779 | 16,021 | - | 685 |
| Vocal Music | 6,007 | 2,300 | 3,657 | - | 4,650 |
| Instrumental Music | 1,834 | 3,912 | 3,166 | - | 2,580 |
| Tech Club | 8,243 | 3,182 | 4,000 | - | 7,425 |
| Lego Robotics | 1,442 | 100 | - | - | 1,542 |
| Cheerleading | 6,158 | - | - | - | 6,158 |
| Food Assistance | 621 | - | - | - | 621 |
| Climate Club | 77 | - | 77 | - | - |
| SOS | 100 | - | - | - | 100 |
| Student Activity | - | 15,000 | 816 | - | 14,184 |
| Math Counts | 1 | - | - | - | 1 |
| Middle School: | | | | | |
| Dragon Express | 522 | - | - | - | 522 |
| Student Council | 2,803 | 153 | 84 | - | 2,872 |
| Robotics | 191 | 4,303 | 2,418 | - | 2,076 |
| Yearbook | 3,873 | 17,370 | 19,665 | - | 1,578 |
| Vocal Music | 27,192 | 63,696 | 68,611 | - | 22,277 |
| Instrumental Music | 24,332 | 9,565 | 7,628 | - | 26,269 |
| Student Management | 10,822 | - | - | - | 10,822 |
| Cheerleading | 131 | - | - | - | 131 |
| MS Pride | 4 | - | - | - | 4 |
| Art Club | 44 | - | - | - | 44 |
| French Club | 153 | 21 | 44 | - | 130 |
| Spanish Club | 176 | - | - | - | 176 |
| Science Olympiad | 1,489 | - | - | - | 1,489 |
| Math Club | 200 | - | 150 | - | 50 |
| Tech Club | 3,199 | 4,058 | 4,689 | - | 2,568 |
| High School: | | | | | |
| Environmental Club | 473 | 1,371 | 444 | - | 1,400 |
| French Club | 2,533 | 2,646 | 3,934 | - | 1,245 |
| Spanish Club | 1,349 | - | - | - | 1,349 |
| Drama Club | 4,027 | 800 | 2,575 | - | 2,252 |
| Speech -Large Group | - | 1,000 | 734 | (266) | - |
| Speech - Individual | - | - | 340 | 340 | - |
| Debate | - | 12,650 | 8,224 | (74) | 4,352 |
| Student Council | 2,537 | 26,840 | 30,701 | 1,324 | - |
| National Honor Society | 3,867 | 4,875 | 4,396 | - | 4,346 |
| Archery | 6,788 | - | 1,232 | - | 5,556 |
| Senior Class | 22,306 | 18,767 | 15,104 | - | 25,969 |
| Yearbook | 46,030 | 124,959 | 80,762 | - | 90,227 |
| Academic Competition | 1,914 | 2,160 | 4,649 | 575 | - |
| Math Club | 361 | 1,194 | 934 | (575) | 46 |
| Instrumental Music | 2,640 | 11,573 | 7,756 | - | 6,457 |
| Vocal Music | 54,513 | 19,786 | 46,715 | 27,362 | 54,946 |
| Piano | 86 | - | - | - | 86 |
| Madrigal | - | 920 | 100 | (820) | - |
| Showzam | - | 67,276 | 14,767 | (52,509) | - |
| Synergy | - | 29,680 | 34,279 | 4,599 | - |
| INNO | - | 36,580 | 56,917 | 20,337 | - |
| Vocal Tour | 328 | 88,563 | 91,307 | 2,416 | - |
| Girls Show Choir | - | 7,581 | 6,196 | (1,385) | - |
| Circle of Friends | 2,177 | 2,177 | 2,564 | - | 1,790 |
| SADD | 157 | - | - | - | 157 |
| Diversity Committee | 100 | - | - | - | 100 |
| Tech Club | 2,719 | 1,075 | 1,262 | - | 2,532 |
| Hyperstream | 757 | - | - | - | 757 |
| Gay Straight Alliance | 262 | - | - | - | 262 |
| Fencing Club | 1,493 | - | - | (1,322) | 171 |
| Exp Based Career | 841 | - | 259 | - | 582 |
| Musicals | 11,325 | 16,529 | 14,778 | - | 13,076 |
| Photo Club | 500 | 500 | - | - | 1,000 |
| We the People | 333 | 811 | 221 | - | 923 |
| Silver Cord | 2,585 | - | 1,266 | - | 1,319 |
| Family Career | 2 | - | - | - | 2 |
| Fishing Club | 4,303 | 39,283 | 41,666 | - | 1,920 |
| Science Olympiad | 142 | 5,695 | 4,124 | - | 1,713 |
| Miscellaneous | 2 | - | - | (2) | - |
| American Sign | 22 | 44 | 9 | - | 57 |
| Key Club | - | 221 | - | - | 221 |
| Students 4 Change | - | 1,184 | - | - | 1,184 |
| Dragon A-la-Cart | 671 | 1,915 | 1,428 | - | 1,158 |
| Athletics | 488,116 | 518,667 | 641,523 | - | 365,260 |
| Total | \$ 779,488 | 1,189,128 | 1,254,743 | - | 713,873 |

See accompanying independent auditor's report.

Schedule 12

Johnston Community School District
 Schedule of Revenues by Source and Expenditures by Function
 All Governmental Funds
 For the Last Ten Years

| | Modified Accrual Basis | | | | | | | | | |
|------------------------------------|------------------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Revenues: | | | | | | | | | | |
| Local sources: | | | | | | | | | | |
| Local tax | \$ 44,526,384 | 40,930,405 | 39,253,233 | 37,064,106 | 35,626,566 | 32,393,934 | 35,857,736 | 35,695,347 | 35,019,915 | 32,577,208 |
| Tuition | 5,193,083 | 4,258,377 | 3,892,666 | 3,855,810 | 3,707,732 | 3,639,110 | 3,582,546 | 3,668,713 | 3,475,163 | 3,137,706 |
| Other | 4,026,726 | 3,583,002 | 3,875,304 | 2,952,246 | 2,317,904 | 2,661,625 | 2,367,120 | 2,106,399 | 2,083,829 | 2,788,425 |
| Intermediate sources | 102,103 | 95,576 | 91,273 | 88,824 | 89,537 | 90,390 | 98,961 | 95,614 | 91,857 | 90,678 |
| State sources | 51,457,369 | 49,601,732 | 48,755,230 | 45,960,835 | 43,653,789 | 39,316,622 | 31,650,260 | 30,704,092 | 27,910,332 | 23,396,412 |
| Federal sources | 3,119,381 | 2,760,895 | 2,334,744 | 2,126,015 | 2,074,240 | 1,898,661 | 1,769,532 | 1,692,437 | 3,729,793 | 4,060,543 |
| Total | \$ 108,425,046 | 101,229,987 | 98,202,450 | 92,047,836 | 87,469,768 | 80,000,342 | 75,326,155 | 73,962,602 | 72,310,889 | 66,050,972 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 38,750,238 | 36,823,617 | 35,134,637 | 33,604,284 | 32,626,297 | 30,467,849 | 29,014,697 | 27,638,864 | 27,049,790 | 26,420,349 |
| Special | 12,983,952 | 11,282,922 | 10,098,221 | 9,311,875 | 9,049,507 | 8,936,782 | 9,552,833 | 8,737,716 | 8,299,509 | 7,633,325 |
| Other | 9,259,212 | 8,532,447 | 8,370,945 | 7,877,884 | 7,818,352 | 7,644,581 | 6,851,147 | 6,188,208 | 5,211,519 | 4,562,423 |
| Support services: | | | | | | | | | | |
| Student | 2,313,690 | 2,274,671 | 2,279,452 | 1,892,148 | 1,819,763 | 1,922,828 | 1,733,474 | 1,652,186 | 1,657,172 | 1,595,119 |
| Instructional staff | 3,244,276 | 3,380,314 | 4,256,407 | 3,829,694 | 3,116,176 | 3,446,669 | 5,256,963 | 3,238,683 | 2,965,971 | 2,681,246 |
| Administration | 6,379,852 | 6,418,567 | 6,224,502 | 6,188,422 | 6,059,234 | 6,021,436 | 5,580,409 | 5,354,058 | 5,461,057 | 5,135,490 |
| Operation and maintenance of plant | 8,005,666 | 6,789,467 | 5,776,018 | 5,403,883 | 5,322,847 | 5,604,645 | 4,899,107 | 4,826,922 | 4,744,650 | 4,845,401 |
| Transportation | 4,610,013 | 4,380,262 | 4,100,913 | 3,413,497 | 3,451,604 | 3,453,897 | 3,346,722 | 3,161,811 | 2,859,427 | 2,582,214 |
| Non-instructional programs: | | | | | | | | | | |
| Food services | 1,330 | 22,998 | 13,222 | 6,537 | 12,756 | 60,845 | 50,075 | 22,680 | 42,357 | 13,764 |
| Community services and education | 148,969 | 201,283 | 200,203 | 144,963 | 162,264 | 153,851 | 134,712 | 142,207 | 118,070 | 118,485 |
| Other expenditures: | | | | | | | | | | |
| Facilities acquisition | 10,503,462 | 20,328,773 | 36,617,228 | 39,095,795 | 25,238,957 | 4,513,719 | 3,223,347 | 10,429,507 | 5,158,895 | 3,865,127 |
| Long-term debt: | | | | | | | | | | |
| Principal | 10,721,421 | 10,679,642 | 7,570,596 | 22,616,233 | 13,404,870 | 4,324,630 | 4,910,369 | 4,305,000 | 4,150,000 | 5,670,000 |
| Interest and other charges | 3,906,961 | 4,003,564 | 4,042,846 | 3,595,966 | 3,527,675 | 1,522,027 | 1,683,782 | 1,655,159 | 1,803,086 | 1,952,509 |
| AEA support | 3,110,039 | 2,977,024 | 2,840,921 | 2,746,943 | 2,610,924 | 2,448,847 | 2,307,835 | 2,236,244 | 2,320,857 | 2,187,815 |
| Total | \$ 113,939,081 | 118,095,551 | 127,526,111 | 139,728,124 | 114,221,226 | 80,522,606 | 78,545,472 | 79,589,245 | 71,842,360 | 69,263,267 |

See accompanying independent auditor's report.

JOHNSTON™

**Johnston Community School District
Statistical Section
Table of Contents**

The statistical section of the Johnston Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

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| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | 84-102 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax). | 103-108 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future. | 109-115 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | 116-120 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | 121-127 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 68 in fiscal year 2016; schedules presenting government-wide information include information beginning in that year.

NET POSITION BY COMPONENT
Last Ten Fiscal Years

| Year ended June 30, 2020 | 2020 | 2019 | 2018 | 2017 |
|--|-----------------------|-----------------------|-------------------|-------------------|
| Governmental activities: | | | | |
| Net Investment in Capital Assets | \$ 99,309,022 | \$ 96,562,542 | 92,188,629 | 76,387,314 |
| Restricted | 26,824,464 | 17,618,072 | 11,157,688 | 20,505,552 |
| Unrestricted | (16,168,463) | (11,241,831) | (9,268,909) | (9,934,017) |
| Total governmental activities net position | \$ 109,965,023 | \$ 102,938,783 | 94,077,408 | 86,958,849 |
| Business type activities: | | | | |
| Invested in capital assets, net of related debt | \$ 745,644 | \$ 834,995 | 821,200 | 951,723 |
| Restricted | | - | - | - |
| Unrestricted | 531,876 | 1,304,947 | 1,044,406 | 723,663 |
| Total business type activities net position | \$ 1,277,520 | \$ 2,139,942 | 1,865,606 | 1,675,386 |
| Primary government: | | | | |
| Invested in capital assets, net of related debt | \$ 100,054,666 | \$ 97,397,537 | 93,009,829 | 77,339,034 |
| Restricted | 26,824,464 | 17,618,072 | 11,157,688 | 20,505,453 |
| Unrestricted | (15,636,587) | (9,936,884) | (8,224,503) | -9,210,354 |
| Total primary government net position | \$ 111,242,543 | \$ 105,078,725 | 95,943,014 | 88,634,133 |

Source: 2020 Certified Annual Report

Note: Change in unrestricted net position from 2014-2015 due to implementation of GASB 68.

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|------------|------------|------------|------------|
| 63,827,711 | 58,871,834 | 13,249,999 | 65,764,354 | 62,356,405 | 51,038,392 |
| 24,264,939 | 23,692,664 | 63,844,645 | 10,749,999 | 9,744,735 | 16,419,758 |
| (11,804,435) | (17,695,615) | 8,209,879 | 8,028,431 | 9,387,456 | 7,405,591 |
| 76,288,215 | 64,868,883 | 85,304,523 | 84,542,784 | 81,488,596 | 74,863,741 |
| 394,007 | 513,678 | 614,448 | 731,486 | 587,958 | 676,121 |
| - | - | 920 | - | - | 8,370 |
| 1,249,056 | 1,091,515 | 2,884,984 | 2,513,869 | 2,586,485 | 2,122,298 |
| 1,643,063 | 1,605,193 | 3,500,352 | 3,245,355 | 3,174,443 | 2,806,789 |
| 64,221,718 | 59,385,512 | 13,864,447 | 66,495,840 | 62,944,363 | 51,714,513 |
| 24,264,939 | 23,692,664 | 63,845,565 | 10,749,999 | 9,744,735 | 16,428,128 |
| (10,555,379) | (16,604,100) | 11,094,863 | 10,542,300 | 11,973,941 | 9,527,889 |
| 77,931,278 | 66,474,076 | 88,804,875 | 87,788,139 | 84,663,039 | 77,670,530 |

EXPENSES, PROGRAM REVENUES AND NET REVENUES (EXPENSES)

Last Ten Fiscal Years

| Year ended June 30, 2020 | 2020 | 2019 | 2018 | 2017 |
|---|------------------------|------------------------|---------------------|---------------------|
| Expenses: | | | | |
| Governmental activities: | | | | |
| Instruction | \$ 70,414,755 | \$ 67,068,311 | 62,193,136 | 56,825,307 |
| Student services | 2,460,467 | 2,325,107 | 2,283,577 | 2,300,234 |
| Instructional staff services | 3,278,694 | 3,167,962 | 3,217,568 | 4,442,506 |
| Administrative services | 6,671,235 | 6,146,391 | 6,172,408 | 6,023,950 |
| Operating and maintenance of plant services | 8,113,422 | 7,851,357 | 6,810,716 | 5,672,304 |
| Transportation services | 4,692,702 | 4,611,616 | 4,317,348 | 4,045,455 |
| Capital outlay | - | - | - | - |
| Long-term debt interest | 3,607,402 | 3,964,032 | 3,940,520 | 3,961,417 |
| Non-instructional programs | 186,302 | 150,377 | 226,088 | 213,642 |
| Other expenditures | 4,555,872 | 4,524,310 | 5,188,911 | 3,680,205 |
| Total governmental activities expenses | 103,980,851 | 99,809,463 | 94,350,272 | 87,165,020 |
| Business type activities: | | | | |
| Nutrition | 3,232,106 | 3,296,661 | 3,277,729 | 3,353,090 |
| Day care services | 308,950 | - | - | - |
| Community education services | 2,663,171 | 3,389,659 | 3,474,661 | 3,559,029 |
| Total business type activities expenses | 6,204,227 | 6,686,320 | 6,752,390 | 6,912,119 |
| Total primary government expenses | \$ 110,185,078 | \$ 106,495,783 | 101,102,662 | 94,077,139 |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction | \$ 6,981,839 | \$ 6,523,356 | 5,620,229 | 5,100,587 |
| Support services | 345,601 | 333,922 | 564,809 | 223,819 |
| Operating grants and contributions | 14,372,672 | 14,692,194 | 13,923,397 | 13,062,254 |
| Total governmental activities program revenues | 21,700,112 | 21,549,472 | 20,108,435 | 18,386,660 |
| Business type activities: | | | | |
| Charges for services: | | | | |
| Nutrition | 1,644,080 | 2,221,417 | 3,282,217 | 2,426,387 |
| Day care services | - | - | - | - |
| Community education services | 2,306,597 | 3,512,289 | 2,581,288 | 3,539,693 |
| Operating grants and contributions | 1,583,446 | 1,457,840 | 1,303,707 | 1,220,226 |
| Total business type program revenues | 5,534,123 | 7,191,546 | 7,167,212 | 7,186,306 |
| Total primary government program revenues | \$ 27,234,235 | \$ 28,741,018 | 27,275,647 | 25,572,966 |
| Net revenue (expense): | | | | |
| Governmental activities | \$ (82,280,739) | \$ (78,259,991) | (74,241,837) | (68,778,360) |
| Business type activities | (670,104) | 505,226 | 414,822 | 274,187 |
| Total primary government net expense | \$ (82,950,843) | \$ (77,754,765) | (73,827,015) | (68,504,173) |

Source: 2020 Certified Annual Report

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 52,795,932 | 49,803,088 | 49,337,355 | 49,036,745 | 44,757,711 | 42,997,915 |
| 1,859,466 | 1,758,854 | 1,925,705 | 1,697,758 | 1,638,859 | 1,657,151 |
| 3,999,945 | 3,261,971 | 3,590,304 | 3,645,976 | 3,364,050 | 3,028,879 |
| 5,350,729 | 5,581,377 | 5,711,829 | 5,251,380 | 5,043,599 | 5,308,433 |
| 5,282,071 | 5,219,346 | 5,672,497 | 4,919,762 | 4,886,355 | 4,836,685 |
| 3,429,478 | 3,445,848 | 3,309,073 | 3,222,225 | 3,591,054 | 3,197,520 |
| - | - | - | - | - | - |
| 3,421,694 | 3,254,018 | 2,591,867 | 1,595,681 | 1,642,172 | 1,790,759 |
| 151,702 | 150,343 | 205,640 | 159,747 | 136,274 | 145,594 |
| 4,552,822 | 5,454,504 | 6,962,566 | 2,971,590 | 2,282,020 | 2,350,350 |
| 80,843,839 | 77,929,349 | 79,306,836 | 72,500,864 | 67,342,094 | 65,313,286 |
| 3,329,784 | 3,354,998 | 3,248,993 | 2,989,163 | 2,968,730 | 2,893,145 |
| - | 2,087,055 | 1,916,455 | 2,095,538 | 1,982,675 | 1,987,377 |
| 3,411,483 | 997,118 | 997,042 | 795,752 | 632,314 | 584,003 |
| 6,741,267 | 6,439,171 | 6,162,490 | 5,880,453 | 5,583,719 | 5,464,525 |
| 87,585,106 | 84,368,520 | 85,469,326 | 78,381,317 | 72,925,813 | 70,777,811 |
| 5,190,701 | 4,858,280 | 4,944,723 | 4,708,965 | 4,716,473 | 4,446,966 |
| 373,294 | 261,651 | 333,733 | 334,746 | 303,992 | 319,065 |
| 12,346,212 | 11,896,003 | 9,391,081 | 8,742,525 | 8,729,403 | 10,716,250 |
| 17,910,207 | 17,015,934 | 14,669,537 | 13,786,236 | 13,749,868 | 15,482,281 |
| 2,479,676 | 2,547,400 | 2,424,013 | 2,332,549 | 2,341,951 | 2,270,385 |
| - | 2,295,884 | 2,105,910 | 2,164,258 | 1,971,370 | 1,880,593 |
| 3,409,300 | 999,673 | 986,262 | 813,678 | 718,583 | 572,686 |
| 1,100,705 | 1,034,906 | 966,302 | 887,948 | 919,469 | 900,790 |
| 6,989,681 | 6,877,863 | 6,482,487 | 6,198,433 | 5,951,373 | 5,624,454 |
| 24,899,888 | 23,893,797 | 21,152,024 | 19,984,669 | 19,701,241 | 21,106,735 |
| (62,933,632) | (60,913,415) | (64,637,299) | (58,714,628) | (53,592,226) | (49,831,005) |
| 248,414 | 438,692 | 319,997 | 317,980 | 367,654 | 159,929 |
| (62,685,218) | (60,474,723) | (64,317,302) | (58,396,648) | (53,224,572) | (49,671,076) |

GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION

Last Ten Fiscal Years

| Year ended June 30, 2020 | 2020 | 2019 | 2018 | 2017 |
|--|---------------------|---------------------|---------------------|---------------------|
| Net (expense) revenue: | | | | |
| Governmental activities | \$ (82,280,739) | \$ (78,259,991) | (74,241,837) | (68,778,360) |
| Business type activities | (670,104) | 505,226 | 414,822 | 274,187 |
| Total primary government net expense | (82,950,843) | (77,754,765) | (73,827,015) | (68,504,173) |
| General revenues and other changes in net position: | | | | |
| Governmental activities: | | | | |
| General revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | 30,634,016 | 29,435,435 | 28,821,494 | 29,253,021 |
| Debt service | 10,385,706 | 10,677,490 | 8,048,021 | 6,123,980 |
| Capital outlay | 4,289,340 | 4,413,457 | 4,060,890 | 3,892,711 |
| Statewide sales, services and use tax | 7,313,864 | 6,684,467 | 6,442,320 | 6,998,547 |
| Unrestricted state grants | 34,193,211 | 33,295,431 | 32,085,616 | 31,096,960 |
| Unrestricted investment earnings | 967,018 | 973,711 | 304,884 | 384,870 |
| Other | 1,331,506 | 1,410,485 | 1,372,671 | 2,305,590 |
| Capital contributions | - | - | - | - |
| Transfers | 192,318 | 230,890 | 224,602 | 218,102 |
| Total governmental activities | 89,306,979 | 87,121,366 | 81,360,498 | 80,273,781 |
| Business type activities: | | | | |
| Miscellaneous | - | - | - | - |
| Transfers | (192,318) | (230,890) | (224,602) | (218,102) |
| Total business type activities | (192,318) | (230,890) | (224,602) | (218,102) |
| Total primary government general revenues and other changes in net position | 89,114,661 | 86,890,476 | 81,135,896 | 80,055,679 |
| Change in net position: | | | | |
| Governmental activities | 7,026,240 | 8,861,375 | 7,118,661 | 11,495,421 |
| Business type activities | (862,422) | 274,336 | 190,220 | 56,085 |
| Total primary government change in net position | \$ 6,163,818 | \$ 9,135,711 | 7,308,881 | 11,551,506 |

Source: 2020 Certified Annual Report

| 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| (62,933,632) | (60,913,415) | (64,637,299) | (58,714,628) | (53,592,226) | (49,831,005) |
| 248,414 | 438,692 | 319,997 | 317,980 | 367,654 | 159,929 |
| (62,685,218) | (60,474,723) | (64,317,302) | (58,396,648) | (53,224,572) | (49,671,076) |
| 28,270,487 | 26,634,779 | 25,257,174 | 23,739,582 | 25,139,889 | 25,381,589 |
| 5,184,793 | 5,537,573 | 3,815,774 | 3,614,999 | 2,302,231 | 875,421 |
| 3,608,826 | 3,462,422 | 3,320,986 | 3,169,354 | 3,129,302 | 2,954,515 |
| 6,306,953 | 6,074,567 | 5,449,133 | 5,336,410 | 5,123,925 | 5,808,390 |
| 29,515,436 | 27,832,918 | 26,458,419 | 24,769,091 | 23,753,747 | 20,916,147 |
| 162,818 | 126,645 | 85,142 | 46,852 | 71,535 | 109,923 |
| 1,093,108 | 792,981 | 947,410 | 872,283 | 696,452 | 782,623 |
| - | - | - | - | - | - |
| 210,544 | 169,884 | 65,000 | 65,000 | - | - |
| 74,352,965 | 70,631,769 | 65,399,038 | 61,613,571 | 60,217,081 | 56,828,608 |
| - | - | - | - | - | - |
| (210,544) | (169,884) | (65,000) | (65,000) | - | - |
| (210,544) | (169,884) | (65,000) | (65,000) | - | - |
| 74,142,421 | 70,461,885 | 65,334,038 | 61,548,571 | 60,217,081 | 56,828,608 |
| 11,419,333 | 9,718,354 | 761,739 | 2,898,943 | 6,624,855 | 6,997,603 |
| 37,870 | 268,808 | 254,997 | 252,980 | 367,654 | 159,929 |
| 11,457,203 | 9,987,162 | 1,016,736 | 3,151,923 | 6,992,509 | 7,157,532 |

FUND BALANCES - GOVERNMENTAL FUNDS**Last Ten Fiscal Years**

| Year ended June 30, 2020 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|-------------------|
| General Fund: | | | |
| Nonspendable for Inventories/Prepd | \$ 85,572 | \$ 71,233 | 70,895 |
| Restricted | 1,541,847 | 1,548,758 | 1,659,862 |
| Unassigned | 10,518,726 | 12,695,403 | 14,154,725 |
| Total general fund | 12,146,145 | 14,315,394 | 15,885,482 |
| All other governmental funds: | | | |
| Restricted, reported in: | | | |
| Debt Service | 12,104,362 | 7,567,880 | 3,362,140 |
| Special revenue funds | 6,709,287 | 4,166,417 | 2,704,873 |
| Capital project funds | 7,497,611 | 11,650,012 | 12,306,451 |
| Total all other governmental funds | 26,311,260 | 23,384,309 | 18,373,464 |
| Total governmental fund balances | \$ 38,457,405 | \$ 37,699,703 | 34,258,946 |

Source: 2020 Certified Annual Report

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------|------------|------------|------------|------------|------------|------------|
| 60,138 | 67,662 | 44,102 | 47,864 | 49,391 | 47,836 | 42,426 |
| 1,576,733 | 1,525,575 | 1,283,366 | 801,527 | 742,491 | 875,116 | 765,115 |
| 13,107,148 | 10,088,953 | 6,065,734 | 4,195,630 | 4,019,759 | 5,998,132 | 4,721,855 |
| 14,744,019 | 11,682,190 | 7,393,202 | 5,045,021 | 4,811,641 | 6,921,084 | 5,529,396 |
| 1,569,155 | 1,430,769 | 2,265,914 | 9,545,061 | 9,721,828 | 516,040 | 517,651 |
| 2,174,684 | 1,882,474 | 1,743,993 | 1,989,103 | 2,901,807 | 2,622,228 | 2,200,881 |
| 24,051,715 | 45,188,623 | 39,921,249 | 61,322,483 | 6,173,055 | 5,851,080 | 13,284,800 |
| 27,795,554 | 48,501,866 | 43,931,156 | 72,856,647 | 18,796,690 | 8,989,348 | 16,003,332 |
| 42,539,573 | 60,184,056 | 51,324,358 | 77,901,668 | 23,608,331 | 15,910,432 | 21,532,728 |

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

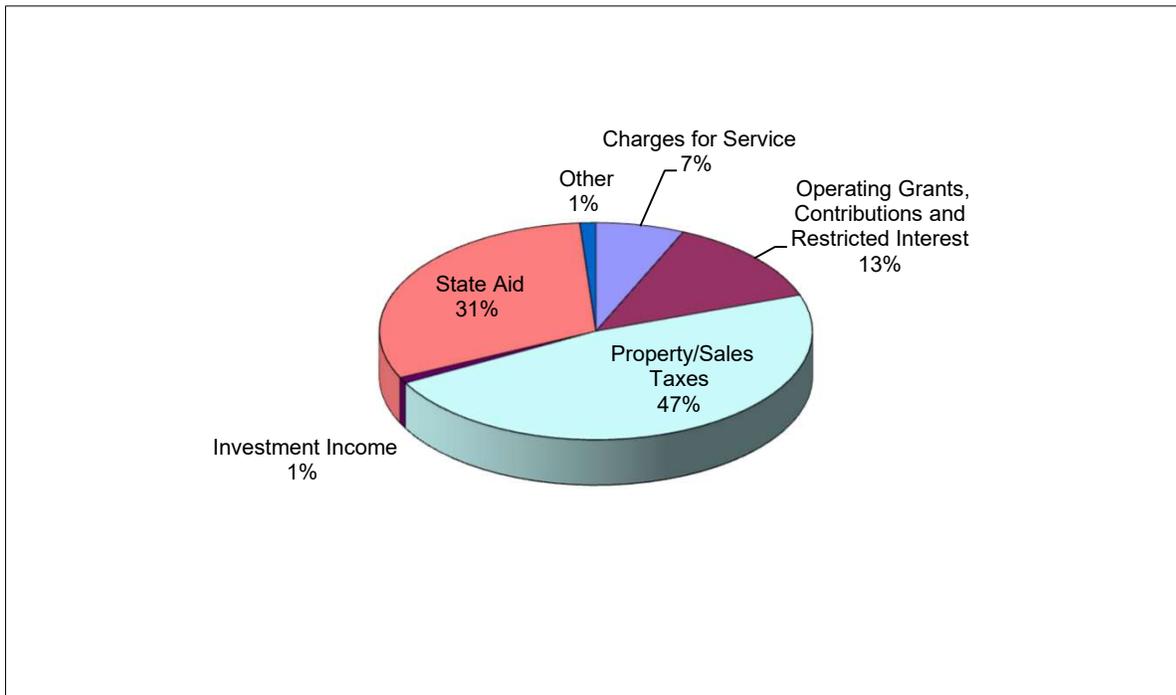
| Year ended June 30, | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------|-----------------------|-----------------------|--------------------|-------------------|-------------------|
| Local Sources: | | | | | |
| Property taxes | \$ 42,996,541 | \$ 42,227,566 | 38,631,314 | 36,926,204 | 34,753,002 |
| Local option sales tax | | - | - | - | - |
| Utility replacement | 966,024 | 937,517 | 943,630 | 963,718 | 949,620 |
| Property tax in lieu of | 1,346,497 | 1,350,679 | 1,315,848 | 1,333,947 | 1,333,050 |
| Tuition | 5,960,037 | 5,193,083 | 4,258,377 | 3,892,666 | 3,855,810 |
| Other local sources | 2,046,677 | 2,119,003 | 2,215,786 | 2,720,277 | 1,930,588 |
| Investment earnings | 967,017 | 973,710 | 543,692 | 399,436 | 162,818 |
| Student activities | 638,036 | 944,635 | 863,137 | 801,434 | 887,274 |
| Total local sources | 54,920,829 | 53,746,193 | 48,771,784 | 47,037,682 | 43,872,162 |
| Intermediate Sources | 102,828 | 102,103 | 95,576 | 91,273 | 88,824 |
| State sources: | | | | | |
| State foundation aid | 34,193,211 | 33,295,431 | 32,085,616 | 31,096,960 | 29,515,436 |
| Statewide Sales tax | 7,313,864 | 6,684,467 | 6,442,320 | 6,998,547 | 6,306,953 |
| Other state sources | 11,750,863 | 11,477,471 | 11,073,796 | 10,659,723 | 10,138,446 |
| Total state sources | 53,257,938 | 51,457,369 | 49,601,732 | 48,755,230 | 45,960,835 |
| Federal sources | 2,525,439 | 3,119,381 | 2,760,895 | 2,318,265 | 2,126,015 |
| Total Revenues | \$ 110,807,034 | \$ 108,425,046 | 101,229,987 | 98,202,450 | 92,047,836 |

Source: 2020 Certified Annual Report

| 2015 | 2014 | 2013 | 2012 | 2011 |
|------------|------------|------------|------------|------------|
| 33,969,188 | 31,541,517 | 30,531,071 | 29,705,068 | 28,376,676 |
| - | - | 5,336,410 | 5,123,925 | 5,808,390 |
| 975,143 | 852,417 | 860,601 | 866,354 | 834,848 |
| 653,702 | - | - | - | - |
| 3,707,732 | 3,639,110 | 3,582,546 | 3,668,713 | 3,475,163 |
| 1,389,174 | 1,664,104 | 704,178 | 1,239,805 | 1,143,676 |
| 126,645 | 89,142 | 46,852 | 71,535 | 109,923 |
| 830,618 | 908,380 | 745,744 | 795,059 | 830,231 |
| 41,652,202 | 38,694,670 | 41,807,402 | 41,470,459 | 40,578,907 |
| 89,537 | 90,389 | 98,961 | 95,614 | 91,857 |
| 27,832,918 | 25,706,139 | 24,769,091 | 23,753,747 | 20,916,147 |
| 6,074,567 | 5,449,133 | - | - | - |
| 9,746,304 | 8,161,350 | 6,881,169 | 6,950,345 | 6,994,185 |
| 43,653,789 | 39,316,622 | 31,650,260 | 30,704,092 | 27,910,332 |
| 2,074,240 | 1,898,661 | 1,769,532 | 1,692,437 | 3,729,793 |
| 87,469,768 | 80,000,342 | 75,326,155 | 73,962,602 | 72,310,889 |

GOVERNMENTAL REVENUES, BY SOURCE
Last Ten Fiscal Years

| Fiscal Year | PROGRAM REVENUES | | GENERAL REVENUES | | | | TOTAL |
|-------------|---------------------|---|----------------------|-------------------|------------|-----------|-------------|
| | Charges for Service | Operating Grants, Contributions and Restricted Interest | Property/Sales Taxes | Investment Income | State Aid | Other | |
| 2019-20 | \$ 7,327,440 | 14,372,672 | 52,622,926 | 967,017 | 34,193,211 | 1,323,768 | 110,807,034 |
| 2018-19 | 6,857,278 | 14,692,194 | 51,200,229 | 973,710 | 33,295,431 | 1,406,204 | 108,425,046 |
| 2017-18 | 6,185,038 | 13,923,397 | 47,333,112 | 543,692 | 32,085,616 | 1,159,132 | 101,229,987 |
| 2016-17 | 5,324,406 | 13,062,251 | 46,222,416 | 399,436 | 31,096,960 | 2,096,981 | 98,202,450 |
| 2015-16 | 5,563,995 | 12,436,212 | 43,342,625 | 162,818 | 29,515,436 | 1,026,750 | 92,047,836 |
| 2014-15 | 5,119,031 | 11,896,003 | 41,672,600 | 126,645 | 27,832,918 | 822,571 | 87,469,768 |
| 2013-14 | 5,278,456 | 9,391,081 | 37,843,067 | 89,142 | 25,706,139 | 1,692,457 | 80,000,342 |
| 2012-13 | 5,043,711 | 8,742,525 | 35,860,345 | 46,852 | 24,769,091 | 863,631 | 75,326,155 |
| 2011-12 | 5,020,465 | 8,729,403 | 35,695,347 | 71,535 | 23,753,747 | 692,105 | 73,962,602 |
| 2010-11 | 4,766,031 | 10,716,250 | 35,019,915 | 109,923 | 20,916,147 | 782,623 | 72,310,889 |



Note: Governmental activities only, does not include business activities.

Source: District Audits

JOHNSTONTM

COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES

Last Ten Fiscal Years

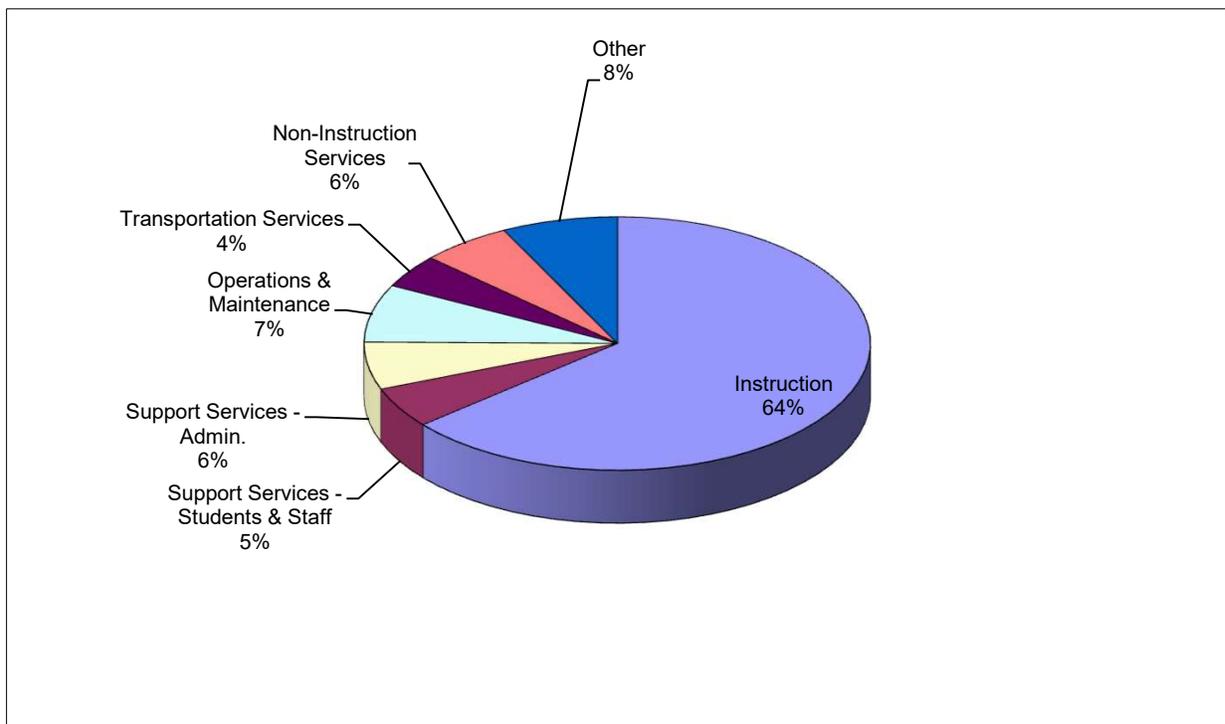
| Year ending June 30, 2020 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------------------|-----------------------|--------------------|--------------------|--------------------|
| Instruction: | | | | | |
| Regular instruction | \$ 39,347,512 | \$ 38,750,238 | 36,823,617 | 35,134,637 | 33,604,284 |
| Special instruction | 14,267,261 | 12,983,952 | 11,282,922 | 10,098,221 | 9,311,875 |
| Other instruction | 8,931,755 | 9,259,212 | 8,532,447 | 8,370,945 | 7,877,884 |
| Support services: | | | | | |
| Student services | 2,375,097 | 2,313,690 | 2,274,671 | 2,279,452 | 1,892,148 |
| Instructional staff services | 3,325,919 | 3,244,276 | 3,380,314 | 4,256,407 | 3,829,694 |
| Administration services | 6,622,019 | 6,379,852 | 6,418,567 | 6,224,502 | 6,188,422 |
| Plant operation and maintenance | 8,148,471 | 8,005,666 | 6,789,467 | 5,776,018 | 5,403,883 |
| Transportation services | 4,701,845 | 4,610,013 | 4,380,262 | 4,100,913 | 3,413,497 |
| Non-instructional programs: | | | | | |
| Food services | 5,235 | 1,330 | 22,998 | 13,222 | 6,537 |
| Community service and education | 175,441 | 148,969 | 201,283 | 200,203 | 144,963 |
| Capital outlay | 5,928,821 | 10,503,462 | 20,328,773 | 36,617,228 | 39,095,795 |
| Debt service: | | | | | |
| Principal | 11,316,290 | 10,721,421 | 10,679,642 | 7,570,596 | 22,616,233 |
| Interest | 3,647,480 | 3,802,560 | 3,923,232 | 3,944,651 | 3,487,643 |
| Services | - | 104,401 | 80,332 | 58,119 | 152,727 |
| Intergovernmental other expenditures | 3,177,946 | 3,110,039 | 2,977,024 | 2,840,921 | 2,746,943 |
| Total expenditures | \$ 111,971,092 | \$ 113,939,081 | 118,095,551 | 127,486,035 | 139,772,528 |
| Less: capital expenditures | 5,184,555 | 9,611,668 | 18,592,046 | 34,824,774 | 37,880,877 |
| Non-capital expenditures | \$ 106,786,537 | \$ 104,327,413 | 99,503,505 | 92,661,261 | 101,891,651 |
| Debt service expenditures | \$ 14,963,770 | \$ 14,523,981 | 14,602,874 | 11,515,247 | 26,103,876 |
| Debt service as a percentage of non-capital expenditures | 14.01% | 13.92% | 14.68% | 12.43% | 25.62% |

Source: 2020 Certified Annual Report

| 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|------------|------------|------------|------------|
| 32,626,297 | 30,467,849 | 30,274,566 | 27,638,864 | 27,049,790 |
| 9,049,507 | 8,936,782 | 9,552,833 | 8,737,716 | 8,299,509 |
| 7,818,352 | 7,644,581 | 6,851,147 | 6,188,208 | 5,211,519 |
| 1,819,763 | 1,922,828 | 1,733,474 | 1,652,186 | 1,657,172 |
| 3,116,176 | 3,446,669 | 3,997,094 | 3,238,683 | 2,965,971 |
| 6,059,234 | 6,021,436 | 5,580,409 | 5,354,058 | 5,461,057 |
| 5,322,847 | 5,604,645 | 4,899,107 | 4,826,922 | 4,744,650 |
| 3,451,604 | 3,453,897 | 3,346,722 | 3,161,811 | 2,859,427 |
| 12,756 | 60,845 | 50,075 | 22,680 | 42,357 |
| 162,264 | 153,851 | 134,712 | 142,207 | 118,070 |
| 25,238,957 | 4,513,719 | 3,223,347 | 10,429,507 | 5,158,895 |
| 13,404,870 | 4,324,630 | 4,910,369 | 4,305,000 | 4,150,000 |
| 3,526,675 | 1,522,027 | 1,577,488 | 1,655,159 | 1,803,086 |
| 1,000 | - | 106,294 | - | - |
| 2,610,924 | 2,448,847 | 2,307,835 | 2,236,244 | 2,320,857 |
| 114,221,226 | 80,522,606 | 78,545,472 | 79,589,245 | 71,842,360 |
| 23,811,309 | 1,244,915 | 3,780,159 | 10,383,731 | 5,129,402 |
| 90,409,917 | 79,277,691 | 74,765,313 | 69,205,514 | 66,712,958 |
| 16,931,545 | 5,846,657 | 6,487,857 | 5,960,159 | 5,953,086 |
| 18.73% | 7.37% | 8.68% | 8.61% | 8.92% |

GOVERNMENT-WIDE EXPENSES, BY FUNCTION
Last Ten Fiscal Years

| Fiscal Year | Instruction | Support Services - Students & Staff | Support Services - Admin. | Operations & Maintenance | Transportation Services | Non-Instruction Services | Other | Totals |
|-------------|---------------|-------------------------------------|---------------------------|--------------------------|-------------------------|--------------------------|-----------|-------------|
| 2019-20 | \$ 70,414,755 | 5,739,161 | 6,671,235 | 8,113,422 | 4,692,702 | 6,390,529 | 8,163,274 | 110,185,078 |
| 2018-19 | 67,068,311 | 5,493,069 | 6,146,391 | 7,851,357 | 4,611,616 | 6,836,697 | 8,488,342 | 106,495,783 |
| 2017-18 | 62,193,136 | 5,501,145 | 6,172,408 | 6,810,716 | 4,317,348 | 6,978,478 | 9,129,431 | 101,102,662 |
| 2016-17 | 56,825,307 | 6,742,740 | 6,023,950 | 5,672,304 | 4,045,455 | 7,125,764 | 7,641,622 | 94,077,142 |
| 2015-16 | 52,795,932 | 5,859,411 | 5,350,729 | 5,282,071 | 3,429,478 | 6,892,969 | 7,974,516 | 87,585,106 |
| 2014-15 | 49,803,088 | 5,020,825 | 5,581,377 | 5,219,346 | 3,445,848 | 6,589,514 | 8,708,522 | 84,368,520 |
| 2013-14 | 49,337,355 | 5,516,009 | 5,711,829 | 5,672,497 | 3,309,073 | 6,368,130 | 9,554,433 | 85,469,326 |
| 2012-13 | 49,036,745 | 5,343,734 | 5,305,717 | 4,919,762 | 3,222,225 | 6,040,200 | 4,567,271 | 78,435,654 |
| 2011-12 | 44,757,711 | 5,002,909 | 5,043,599 | 4,886,355 | 3,591,054 | 5,719,993 | 3,924,192 | 72,925,813 |
| 2010-11 | 42,997,915 | 4,686,030 | 5,308,433 | 4,836,685 | 3,197,520 | 5,610,119 | 4,141,109 | 70,777,811 |



Source: District Audits

JOHNSTONTM

OTHER FINANCING SOURCES (USES) AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

| Year ended June 30, 2020 | 2020 | 2019 | 2018 |
|---|-------------------|---------------------|--------------------|
| Excess (deficiency) of revenues over (under) expenditures | \$ (1,164,058) | \$ (5,514,035) | (16,865,564) |
| Other financing sources (uses): | | | |
| Transfers in | 8,657,035 | 8,252,900 | 8,620,607 |
| Transfers out | (8,464,717) | (8,022,010) | (8,396,005) |
| Sale of bonds/Discounts/Premiums | | - | 110,994 |
| Sale of property/equipment | 7,739 | 14,902 | 14,341 |
| Proceeds from capital lease/lease purchase | 1,721,703 | - | - |
| Proceeds from debt issued | | 8,709,000 | 8,235,000 |
| Net change in fund balances | \$ 757,702 | \$ 3,440,757 | (8,280,627) |

Source: District Audit

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| (29,283,585) | (47,724,692) | (26,751,458) | (522,264) | (3,219,317) | (5,626,643) | 468,529 |
| 5,808,831 | 5,561,136 | 3,294,653 | 1,897,301 | 2,861,855 | 3,654,751 | 5,077,667 |
| (5,590,729) | (5,350,592) | (3,124,769) | (1,832,301) | (2,796,855) | (3,654,751) | (5,077,667) |
| 195,482 | 345,363 | (1,925) | 54,747,368 | - | - | - |
| 1,466,318 | 4,791 | 6,189 | 3,233 | 8,652 | 4,347 | - |
| 439,200 | 723,692 | - | - | 1,259,869 | - | - |
| 9,320,000 | 55,300,000 | - | - | 9,374,113 | - | - |
| (17,644,483) | 8,859,698 | (26,577,310) | 54,293,337 | 7,488,317 | (5,622,296) | 468,529 |

**COMPARISONS OF GROWTH IN REVENUE, EXPENDITURES, ENROLLMENT,
 ASSESSED VALUATION AND TAX RATES - GENERAL FUND BY YEAR
 Last Ten Fiscal Years**

| Fiscal Year | Revenue | Growth | Expenditures | Growth | Enrollment | Growth | Assessed Value | Growth | Tax Rate | Growth |
|-------------|---------------|--------|---------------|--------|------------|--------|------------------|--------|----------|--------|
| 2019-20 | \$ 82,789,930 | 3.8% | \$ 84,959,179 | 8.0% | 7,105.7 | 0.4% | \$ 4,140,306,050 | 12.8% | 11.07691 | -12.5% |
| 2018-19 | 81,525,009 | 5.5% | \$ 83,095,097 | 11.9% | 7,057.6 | 2.4% | \$ 4,060,626,646 | 14.5% | 11.26534 | -15.5% |
| 2017-18 | 79,786,837 | 6.4% | 78,645,374 | 11.3% | 7,074.1 | 4.7% | 3,671,118,493 | 11.6% | 12.66404 | -8.8% |
| 2016-17 | 77,304,648 | 9.5% | 74,250,082 | 8.6% | 6,894.2 | 4.2% | 3,546,265,721 | 11.6% | 13.33817 | -2.4% |
| 2015-16 | 74,965,911 | 14.6% | 70,676,923 | 8.4% | 6,756.1 | 5.4% | 3,288,950,762 | 4.9% | 13.88824 | 3.6% |
| 2014-15 | 70,566,918 | 15.1% | 68,388,621 | 7.7% | 6,617.1 | 5.6% | 3,178,778,284 | 4.0% | 13.66094 | 2.5% |
| 2013-14 | 65,393,402 | 6.7% | 65,225,022 | 2.7% | 6,408.0 | 2.2% | 3,134,052,888 | 2.6% | 13.41003 | 0.6% |
| 2012-13 | 61,310,243 | -0.4% | 63,484,686 | 5.5% | 6,269.0 | 2.0% | 3,055,537,525 | -1.1% | 13.32548 | -4.2% |
| 2011-12 | 61,544,827 | 1.2% | 60,153,139 | 3.9% | 6,147.4 | 0.9% | 3,088,909,736 | 3.4% | 13.90275 | -4.9% |
| 2010-11 | 60,786,323 | 11.1% | 57,900,225 | 5.2% | 6,094.3 | 2.0% | 2,988,468,862 | 3.5% | 14.61345 | 3.3% |

Source: Polk County Auditor and Certified Annual Report

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

| Collection Year | Real Property | Personal Property | Railroad & Utilities w/o Gas & Electric | Gas & Electric | Total Assessed Value | Total Taxable Value | Total Direct Rate |
|-----------------|------------------|-------------------|---|----------------|----------------------|---------------------|-------------------|
| 2019-20 | \$ 4,038,250,184 | | 5465664 | 96590202 | 4,140,306,050 | 2,654,845,614 | 18.35192 |
| 2018-19 | 3,964,594,754 | - | 5,566,102 | 90,465,790 | 4,060,626,646 | 2,569,837,941 | 18.35111 |
| 2017-18 | 3,574,111,752 | - | 5,325,207 | 91,681,534 | 3,671,118,493 | 2,354,339,310 | 18.32361 |
| 2016-17 | 3,452,812,103 | - | 5,594,714 | 87,858,904 | 3,546,265,721 | 2,247,010,252 | 18.35317 |
| 2015-16 | 3,204,905,488 | - | 6,006,901 | 78,038,373 | 3,288,950,762 | 2,091,826,714 | 18.35491 |
| 2014-15 | 3,109,427,512 | - | 6,783,155 | 62,567,617 | 3,178,778,284 | 2,035,596,241 | 17.35444 |
| 2013-14 | 3,049,121,748 | - | 7,634,070 | 77,297,070 | 3,134,052,888 | 2,001,735,565 | 17.35444 |
| 2012-13 | 2,972,775,062 | - | 7,935,534 | 74,826,929 | 3,055,537,525 | 1,897,678,183 | 17.35008 |
| 2011-12 | 3,008,100,368 | - | 7,822,942 | 72,986,426 | 3,088,909,736 | 1,878,286,267 | 17.3460 |
| 2010-11 | 2,908,599,500 | - | 7,125,798 | 72,743,564 | 2,988,468,862 | 1,773,728,907 | 17.3451 |

Source: Polk County Auditor and Iowa Department of Management

**PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years**

| Levy Year | Collection Year | Overlapping Rates | | | | | District Direct Rates | | | | Ratio of Johnston CSD to Total | |
|--------------------|-----------------|-------------------|---------|---------------------------|----------|---------|--------------------------|--------------------------|-----------------------|------------------------------------|--------------------------------|---------|
| | | Polk County | State | Area XI Community College | City | Special | Johnston General Purpose | Johnston Capital Purpose | Johnston Debt Service | Johnston Community School District | | |
| City of Des Moines | | | | | | | | | | | | |
| 2018 | 2019-20 | \$ 11.31512 | 0.00280 | 0.65249 | 16.64000 | | 12.63192 | 1.67000 | 4.05000 | 18.35192 | 46.96233 | 0.39078 |
| 2017 | 2018-19 | 11.00554 | 0.00290 | 0.69468 | 11.52167 | - | 12.63111 | 1.67000 | 4.05000 | 18.35111 | 41.57590 | 0.44139 |
| 2016 | 2017-18 | 11.02541 | 0.00310 | 0.67458 | 11.38698 | - | 13.33596 | 1.67000 | 3.31765 | 18.32361 | 41.41368 | 0.44245 |
| 2015 | 2016-17 | 11.22030 | 0.00330 | 0.72334 | 16.92000 | 0.06151 | 14.04477 | 1.67000 | 2.63840 | 18.35317 | 47.28162 | 0.38817 |
| 2014 | 2015-16 | 11.64598 | 0.00330 | 0.67574 | 16.92000 | 0.05484 | 14.28539 | 1.67000 | 2.39952 | 18.35491 | 47.65477 | 0.38516 |
| 2013 | 2014-15 | 11.34385 | 0.00330 | 0.65724 | 16.92000 | 0.05669 | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 46.33552 | 0.37454 |
| 2012 | 2013-14 | 10.93115 | 0.00330 | 0.69120 | 16.92001 | 0.06911 | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 45.96921 | 0.37752 |
| 2011 | 2012-13 | 10.66459 | 0.00330 | 0.58466 | 16.91982 | 0.06011 | 13.77526 | 1.67000 | 1.90482 | 17.35008 | 45.58256 | 0.38063 |
| 2010 | 2011-12 | 10.45909 | 0.00320 | 0.59018 | 16.58000 | 0.08531 | 14.44737 | 1.67000 | 1.22862 | 17.34599 | 45.06377 | 0.38492 |
| 2009 | 2010-11 | 10.49853 | 0.00340 | 0.56008 | 16.57614 | 0.08005 | 15.18024 | 1.67000 | 0.49482 | 17.34506 | 45.06326 | 0.38490 |
| City of Grimes | | | | | | | | | | | | |
| 2018 | 2019-20 | \$ 10.97737 | 0.00280 | 0.65249 | 12.81293 | | 12.63192 | 1.67000 | 4.05000 | 18.35192 | 42.79751 | 0.42881 |
| 2017 | 2018-19 | 10.97754 | 0.00290 | 0.69468 | 12.91293 | - | 12.63111 | 1.67000 | 4.05000 | 18.35111 | 42.93916 | 0.42737 |
| 2016 | 2017-18 | 10.99741 | 0.00310 | 0.67458 | 12.91035 | - | 13.33596 | 1.67000 | 3.31765 | 18.32361 | 42.90905 | 0.42703 |
| 2015 | 2016-17 | 10.99830 | 0.00330 | 0.72334 | 12.91473 | - | 14.04477 | 1.67000 | 2.63840 | 18.35317 | 42.99284 | 0.42689 |
| 2014 | 2015-16 | 11.42398 | 0.00330 | 0.67574 | 12.91377 | - | 14.28539 | 1.67000 | 2.39952 | 18.35491 | 43.37170 | 0.42320 |
| 2013 | 2014-15 | 11.12160 | 0.00330 | 0.65724 | 12.91374 | - | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 42.05032 | 0.41271 |
| 2012 | 2013-14 | 10.70915 | 0.00330 | 0.69120 | 12.91302 | - | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 41.67111 | 0.41646 |
| 2011 | 2012-13 | 10.44259 | 0.00330 | 0.58466 | 12.90968 | - | 13.77526 | 1.67000 | 1.90482 | 17.35008 | 41.29031 | 0.42020 |
| 2010 | 2011-12 | 10.23709 | 0.00320 | 0.59018 | 12.90318 | - | 14.44737 | 1.67000 | 1.22862 | 17.34599 | 41.07964 | 0.42225 |
| 2009 | 2010-11 | 10.25833 | 0.00340 | 0.56008 | 12.91004 | - | 15.18024 | 1.67000 | 0.49482 | 17.34506 | 41.07691 | 0.42226 |
| City of Johnston | | | | | | | | | | | | |
| 2018 | 2019-20 | 11.03037 | 0.00280 | 0.65249 | 11.64912 | | 12.63192 | 1.67000 | 4.05000 | 18.35192 | 41.68670 | 0.44023 |
| 2017 | 2018-19 | 11.00554 | 0.00290 | 0.69468 | 11.52167 | - | 12.63111 | 1.67000 | 4.05000 | 18.35111 | 41.57590 | 0.44139 |
| 2016 | 2017-18 | 11.02541 | 0.00310 | 0.67458 | 11.38698 | - | 13.33596 | 1.67000 | 3.31765 | 18.32361 | 41.41368 | 0.44245 |
| 2015 | 2016-17 | 11.02630 | 0.00330 | 0.72334 | 11.40000 | - | 14.04477 | 1.67000 | 2.63840 | 18.35317 | 41.50611 | 0.44218 |
| 2014 | 2015-16 | 11.45198 | 0.00330 | 0.67574 | 11.50054 | - | 14.28539 | 1.67000 | 2.39952 | 18.35491 | 41.98647 | 0.43716 |
| 2013 | 2014-15 | 11.14960 | 0.00330 | 0.65724 | 11.34392 | - | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 40.50850 | 0.42841 |
| 2012 | 2013-14 | 10.73715 | 0.00330 | 0.69120 | 11.15007 | - | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 39.93616 | 0.43455 |
| 2011 | 2012-13 | 10.47059 | 0.00330 | 0.58466 | 11.29000 | - | 13.77526 | 1.67000 | 1.90482 | 17.35008 | 39.69863 | 0.43704 |
| 2010 | 2011-12 | 10.26509 | 0.00320 | 0.59018 | 11.09579 | - | 14.44737 | 1.67000 | 1.22862 | 17.34599 | 39.30025 | 0.44137 |
| 2009 | 2010-11 | 10.28803 | 0.00340 | 0.56008 | 11.26700 | - | 15.18024 | 1.67000 | 0.49482 | 17.34506 | 39.46357 | 0.43952 |
| City of Urbandale | | | | | | | | | | | | |
| 2018 | 2019-20 | \$ 11.08237 | 0.00280 | 0.65249 | 10.52000 | 0.15929 | 12.63192 | 1.67000 | 4.05000 | 18.35192 | 40.76887 | 0.45015 |
| 217 | 2018-19 | 11.05754 | 0.00290 | 0.69468 | 10.02000 | 0.06438 | 12.63111 | 1.67000 | 4.05000 | 18.35111 | 40.19061 | 0.45660 |
| 2016 | 2017-18 | 11.07741 | 0.00310 | 0.67458 | 10.02000 | 0.06856 | 13.33596 | 1.67000 | 3.31765 | 18.32361 | 40.16726 | 0.45618 |
| 2015 | 2016-17 | 11.07830 | 0.00330 | 0.72334 | 9.92000 | 0.06151 | 14.04477 | 1.67000 | 2.63840 | 18.35317 | 40.13962 | 0.45723 |
| 2014 | 2015-16 | 11.50398 | 0.00330 | 0.67574 | 9.82000 | 0.05484 | 14.28539 | 1.67000 | 2.39952 | 18.35491 | 40.41277 | 0.45419 |
| 2013 | 2014-15 | 11.20160 | 0.00330 | 0.65724 | 9.72000 | 0.05699 | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 38.99357 | 0.44506 |
| 2012 | 2013-14 | 10.78915 | 0.00330 | 0.69120 | 9.57000 | 0.06911 | 13.76563 | 1.67000 | 1.91881 | 17.35444 | 38.47720 | 0.45103 |
| 2011 | 2012-13 | 10.52259 | 0.00330 | 0.58466 | 9.62000 | 0.06011 | 13.77526 | 1.67000 | 1.90482 | 17.35008 | 38.14074 | 0.45490 |
| 2010 | 2011-12 | 10.31709 | 0.00320 | 0.59018 | 9.52000 | 0.08531 | 14.44737 | 1.67000 | 1.22862 | 17.34599 | 37.86177 | 0.45814 |
| 2009 | 2010-11 | 10.33903 | 0.00340 | 0.56008 | 9.32000 | 0.08005 | 15.18024 | 1.67000 | 0.49482 | 17.34506 | 37.64762 | 0.46072 |

Source: Polk County Auditor

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

| Taxpayer | 2020 | | | 2011 | | |
|-------------------------------------|-----------------------|------|-----------------------------------|-----------------------|------|-----------------------------------|
| | Taxable Value | Rank | Percentage of Total Taxable Value | Taxable Value | Rank | Percentage of Total Taxable Value |
| Deere Credit Services | \$ 52,011,000 | 1 | 1.96% | \$ 35,823,000 | 2 | 2.06% |
| Pioneer Hi-Bred Co | 46,648,318 | 2 | 1.76% | 37,701,825 | 1 | 2.17% |
| ARCP OFC Johnston IA Phase II LLC | 29,034,000 | 3 | 1.09% | | | |
| Pioneer Hi-Bred Corn Co | 26,225,953 | 4 | 0.99% | 37,701,825 | 1 | 2.17% |
| Cole OFC Johnston IA LLC | 25,263,000 | 5 | 0.95% | | | |
| Pioneer Hi-Bred International Inc | 21,176,705 | 6 | 0.80% | | | |
| Centro GA Haymarket Square LLC | 17,712,000 | 7 | 0.67% | | | |
| Gabus Family Properties | 12,600,000 | 8 | 0.47% | | | |
| Mid-American Inv. Co. | 12,559,590 | 9 | 0.47% | 16,437,000 | 4 | 0.95% |
| Wal-Mart Real Estate Business Trust | 12,771,900 | 10 | 0.48% | | | |
| Interstate Bus Park LLC | | | | | | |
| Gaileo Haymarket Karam LLC | | | | 20,534,000 | 3 | 1.18% |
| MFR Partners III | | | | 16,187,000 | 5 | 0.93% |
| Target Corp. | | | | | | |
| Spirit SPE Johnston LLC | | | | 13,780,000 | 6 | 0.79% |
| Village Court | | | | 11,240,000 | 7 | 0.65% |
| Village Square LLC | | | | 11,260,660 | 8 | 0.65% |
| Ladco Properties | | | | 10,919,000 | 9 | 0.63% |
| Deutsch Bank | | | | 10,740,000 | 10 | 0.62% |
| Total | \$ 256,002,466 | | 9.64% | \$ 222,324,310 | | 12.79% |
| Total taxable value | \$ 2,654,845,614 | | | \$1,738,864,667 | | |

Source: Polk County Auditor

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

| Employer | 2020 | | | 2011 | | |
|---------------------------------|--------------|------|--------------------------------|--------------|------|--------------------------------|
| | Employees | Rank | Percentage of Total Employment | Employees | Rank | Percentage of Total Employment |
| Corteva Agriscience | 2,500 | 1 | * | 2,484 | 1 | * |
| Johnston Community Schools | 992 | 2 | * | 840 | 4 | * |
| John Deere Credit | 910 | 3 | * | 910 | 3 | * |
| Childserve | 725 | 4 | * | 1025 | 2 | * |
| Iowa National Guard | 704 | 5 | * | 704 | 5 | * |
| Goodwill of Central Iowa | 375 | 6 | * | | | * |
| Heartland Area Education Agency | 250 | 7 | * | 250 | 6 | * |
| Bishop Drumm Care Center | 245 | 8 | * | 245 | 7 | * |
| Children's Habilitation Center | 175 | 9 | * | 175 | 8 | * |
| Iowa Public Television | 127 | 10 | * | 127 | 9 | * |
| ITS Inc. | | | | 125 | 10 | |
| Total | 7,003 | | | 6,885 | | |

*Information not available

Source: Greater DM Partnership

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

| Year ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------|----------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2020 | \$ 44,488,832 | 43,939,534 | 98.77% | \$ (5,907) | 43,933,627 | 98.75% |
| 2019 | 43,229,146 | 43,133,262 | 99.78% | \$ 2,677 | 43,135,939 | 99.78% |
| 2018 | 39,645,683 | 39,608,125 | 99.91% | (34,053) | 39,574,072 | 99.82% |
| 2017 | 37,894,973 | 37,880,097 | 99.96% | 4,874 | 37,884,971 | 99.97% |
| 2016 | 35,779,037 | 35,729,875 | 99.86% | (31,855) | 35,698,020 | 99.77% |
| 2015 | 34,950,043 | 34,936,310 | 99.96% | 4,478 | 34,940,788 | 99.97% |
| 2014 | 32,565,344 | 32,433,674 | 99.60% | (72,054) | 32,361,620 | 99.37% |
| 2013 | 30,519,078 | 30,485,501 | 99.89% | 6,177 | 30,491,678 | 99.91% |
| 2012 | 30,573,898 | 30,554,889 | 99.94% | (11,659) | 30,543,230 | 99.90% |
| 2011 | 29,259,811 | 29,154,463 | 99.64% | 26,868 | 29,181,331 | 99.73% |

Source: Polk County Cash Management

PROPERTY TAX RATES**Last Ten Fiscal Years**

| Fiscal Year | General | Mngt. | Reg. PPEL | Voted PPEL | Debt Service | Total |
|-------------|-------------|---------|-----------|------------|--------------|----------|
| 2019-20 | \$ 11.07691 | 1.55501 | 0.33000 | 1.34000 | 4.05000 | 18.35192 |
| 2018-19 | 11.26534 | 1.36577 | 0.33000 | 1.34000 | 4.05000 | 18.35111 |
| 2017-18 | 12.66404 | 0.67192 | 0.33000 | 1.34000 | 3.31765 | 18.32361 |
| 2016-17 | 13.33817 | 0.70660 | 0.33000 | 1.34000 | 2.63840 | 18.35317 |
| 2015-16 | 13.88824 | 0.39715 | 0.33000 | 1.34000 | 2.39952 | 18.35491 |
| 2014-15 | 13.66094 | 0.35193 | 0.33000 | 1.34000 | 2.67739 | 18.36026 |
| 2013-14 | 13.41003 | 0.35560 | 0.33000 | 1.34000 | 1.91881 | 17.35444 |
| 2012-13 | 13.32548 | 0.44978 | 0.33000 | 1.34000 | 1.90482 | 17.35008 |
| 2011-12 | 13.90275 | 0.54462 | 0.33000 | 1.34000 | 1.22862 | 17.34599 |
| 2010-11 | 14.61345 | 0.56679 | 0.33000 | 1.34000 | 0.49482 | 17.34506 |

Source: District records

PROPERTY TAX LIABILITY**Last Ten Fiscal Years**

| Fiscal Year | Assessed Value | Rollback | Taxable Value | Rate | Tax Liability | Change Dollars | Percent |
|-------------|----------------|----------|---------------|----------|---------------|----------------|---------|
| 2019-20 | 200,000 | 56.92% | \$ 113,840 | 18.35192 | \$ 2,089 | 48 | 2.3% |
| 2018-19 | 200,000 | 55.62% | \$ 111,242 | 18.35111 | \$ 2,041 | (46) | -2.3% |
| 2017-18 | 200,000 | 56.94% | 113,878 | 18.32361 | 2,087 | 45 | 2.2% |
| 2016-17 | 200,000 | 55.63% | 111,252 | 18.35317 | 2,042 | (4) | -0.2% |
| 2015-16 | 200,000 | 55.73% | 111,467 | 18.35491 | 2,046 | 213 | 11.6% |
| 2014-15 | 200,000 | 54.40% | 108,800 | 18.36026 | 1,998 | 237 | 13.5% |
| 2013-14 | 200,000 | 52.82% | 105,633 | 17.35444 | 1,833 | 72 | 4.1% |
| 2012-13 | 200,000 | 50.75% | 101,500 | 17.35008 | 1,761 | 77 | 4.6% |
| 2011-12 | 200,000 | 48.53% | 97,060 | 17.34599 | 1,684 | 57 | 3.5% |
| 2010-11 | 200,000 | 46.91% | 93,820 | 17.34506 | 1,627 | 45 | 2.8% |

Source: District records, Polk County Assessor

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(dollars in thousands, except per capita)

| Fiscal Year | Population | Assessed Value Property | Legal Debt Limit (5%) | General Obligation Bonds | Debt to Assessed Value | Per Capita |
|-------------|------------|-------------------------|-----------------------|--------------------------|------------------------|------------|
| 2020 | 17,278 | \$ 4,140,306,050 | 207,015,303 | 48,908,298 | 1.18% | 2,831 |
| 2019 | 17,278 | 4,060,626,646 | 203,031,332 | 56,525,000 | 1.39% | 3,272 |
| 2018 | 17,278 | 3,671,118,493 | 183,555,925 | 64,355,000 | 1.75% | 3,725 |
| 2017 | 17,278 | 3,546,265,721 | 177,313,286 | 63,775,000 | 1.80% | 3,691 |
| 2016 | 17,278 | 3,288,950,762 | 164,447,538 | 59,100,000 | 1.80% | 3,421 |
| 2015 | 17,278 | 3,178,778,284 | 158,938,914 | 23,720,000 | 0.75% | 1,373 |
| 2014 | 17,278 | 3,134,052,888 | 156,702,644 | 36,705,000 | 1.17% | 2,124 |
| 2013 | 17,278 | 3,055,537,525 | 152,776,876 | 40,620,000 | 1.33% | 2,351 |
| 2012 | 17,278 | 3,088,909,736 | 154,445,487 | 35,630,000 | 1.15% | 2,062 |
| 2011 | 17,278 | 2,988,468,862 | 149,423,443 | 39,230,000 | 1.31% | 2,271 |

Source: U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information in the past).

Source: Polk County Auditor and District Records, 100% Valuation Before Rollback and Including TIF

OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(dollars in thousands, except per capita)

| Fiscal Year | Governmental Activities | | | Total** | 100% Assessed Valuation * |
|-------------|--------------------------|-------------------------|----------------------------------|---------------|---------------------------|
| | General Obligation Bonds | Sales Tax Revenue Bonds | Equipment and Capital Loan Notes | | |
| 2020 | \$ 48,908,298 | 49,185,924 | | \$ 98,094,222 | \$ 4,140,306,050 |
| 2019 | 56,525,000 | 50,974,000 | - | 107,499,000 | 4,060,626,646 |
| 2018 | 64,355,000 | 45,010,000 | - | 109,365,000 | 3,671,118,493 |
| 2017 | 63,775,000 | 47,650,000 | - | 111,425,000 | 3,546,265,721 |
| 2016 | 59,100,000 | 50,190,000 | - | 109,290,000 | 3,288,950,762 |
| 2015 | 23,720,000 | 52,640,000 | - | 76,360,000 | 3,178,778,284 |
| 2014 | 37,212,468 | 52,640,000 | - | 89,852,468 | 3,134,052,888 |
| 2013 | 40,620,000 | - | - | 40,620,000 | 3,055,537,525 |
| 2012 | 35,630,000 | - | 730,000 | 36,360,000 | 3,088,909,736 |
| 2011 | 39,230,000 | - | 1,435,000 | 40,665,000 | 2,988,468,862 |

* Includes TIF Valuation

** Total Indebtedness indicates amount of debt at the end of the fiscal year.

***Source: U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information before that time).

****Source: Iowa Department of Revenue

NA-Information not available

| Percent of Actual Taxable Value of Property | Population*** | Per Capita | Personal Income**** | Percentage of Personal Income |
|---|---------------|------------|------------------------|-------------------------------------|
| 2.37% | 17,278 | 5,677 | | |
| 2.65% | 17,278 | 6,222 | N/A | NA |
| 2.98% | 17,278 | 6,330 | N/A | NA |
| 3.14% | 17,278 | 6,449 | N/A | NA |
| 3.32% | 17,278 | 6,325 | N/A | NA |
| 2.40% | 17,278 | 4,419 | N/A | NA |
| 2.87% | 17,278 | 5,200 | N/A | NA |
| 1.33% | 17,278 | 2,351 | N/A | NA |
| 1.18% | 17,278 | 2,104 | 1,061,293,731 | 3.43% |
| 1.36% | 17,278 | 2,354 | 1,012,094,482 | 4.02% |

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2020

Debt limit (5% of assessed value)

Debt applicable to limit
 Legal debt margin

| Year ended June 30, | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------|----------------|-------------|-------------|-------------|
| Debt limit | \$ 207,015,303 | \$ 203,031,322 | 183,555,925 | 177,313,286 | 164,447,538 |
| Total net debt applicable to limit | 98,094,222 | 107,499,000 | 111,395,633 | 113,629,844 | 111,566,068 |
| Legal debt margin | 108,921,081 | 95,532,322 | 72,160,292 | 63,683,442 | 52,881,470 |
| Total net debt applicable to the limit as a percentage of debt limit | 47% | 53% | 61% | 64% | 68% |

Source: Polk County Auditor and District Records

\$ 4,140,306,050

207,015,303

-

98,094,222

\$ 108,921,081

| 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------|-------------------|--------------------|-------------------|--------------------|
| 158,938,914 | 156,702,644 | 152,776,876 | 154,445,487 | 150,913,560 |
| 78,556,054 | 92,287,537 | 40,620,000 | 98,094,222 | 40,665,000 |
| <u>80,382,860</u> | <u>64,415,107</u> | <u>112,156,876</u> | <u>56,351,265</u> | <u>110,248,560</u> |
| 49% | 59% | 27% | 64% | 27% |

DEBT LIMIT

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The district's debt limit, based upon said valuation, amounts to the following:

Legal Debt Margin Calculation for Fiscal Year 2020

| | |
|-----------------------|-----------------------|
| Actual assessed value | \$ 4,140,306,050 |
| | 0.05 |
| Debt Limit: | <u>\$ 207,015,303</u> |

Total Direct Debt = \$ 98,094,222 or 47.4% of debt limit.

*Includes TIF valuation of

OVERLAPPING AND UNDERLYING DEBT

| | Outstanding | Total Taxable | Valuation | Percent | Amount |
|--|-------------------------|----------------|---------------|---------|-----------------------|
| Polk County | \$ 175,655,008 | 27,044,232,239 | 2,652,681,623 | 9.81% | \$ 17,229,434 |
| DMACC | 103,700,000 | 27,044,232,239 | 2,652,681,623 | 9.81% | \$ 10,171,599 |
| Heartland AEA 11 | - | 27,044,232,239 | 2,652,681,623 | 9.81% | \$ - |
| Urbandale San Sewer Dist | - | 2,333,533,171 | 673,050,390 | 28.84% | \$ - |
| City of Des Moines | 402,520,000 | 8,626,090,847 | 165,332,800 | 1.92% | \$ 7,714,938 |
| City of Grimes | 39,925,000 | 902,268,909 | 198,993,117 | 22.05% | \$ 8,805,357 |
| City of Johnston | 104,212,001 | 2,652,681,623 | 2,652,681,623 | 100.00% | \$ 104,212,001 |
| City of Urbandale | 81,715,000 | 2,560,442,598 | 465,608,128 | 18.18% | \$ 14,859,606 |
| Subtotal, overlapping debt | <u>907,727,009</u> | | | | <u>162,992,936</u> |
| District direct debt: | | | | | |
| General obligation | 48,908,298 | | | | 48,908,298 |
| Capital loan notes | | | | | |
| Sales tax revenue | 49,185,924 | | | | 49,185,924 |
| Total direct debt | <u>98,094,222</u> | | | | <u>98,094,222</u> |
| Total direct and overlapping debt | <u>\$ 1,005,821,231</u> | | | | <u>\$ 261,087,158</u> |

Source: Polk County Auditor, Government Offices

Compares the taxable valuation of the Johnston Community School District to the taxable valuation of each taxing district less military and includes TIF incremental values, ag land, and gas and electric utility values.

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

| Year Ended June 30, 2020 | Bonds Issued | Local Option Sales Tax Revenue Bonds | | | | | Coverage |
|-----------------------------|-----------------|--------------------------------------|--------------|-----------|--------------|------------|----------|
| | | Revenue | Debt Service | | Total | | |
| | | | Principal | Interest | | | |
| 2020 | \$ 49,185,924 | 7,313,864 | 2,850,000 | 1,982,609 | \$ 4,832,609 | 1.5134400 | |
| 2019 | 50,974,000 | 6,684,467 | 2,745,000 | 1,968,293 | \$ 4,713,293 | 1.41821588 | |
| 2018 | 45,010,000 | 6,442,320 | 2,640,000 | 1,952,131 | 4,592,131 | 1.40290423 | |
| 2017 | 47,650,000 | 6,998,547 | 2,540,000 | 2,052,506 | 4,592,506 | 1.5239059 | |
| 2016 | 50,190,000 | 6,306,953 | 2,450,000 | 2,149,306 | 4,599,306 | 1.37128362 | |
| 2015 | 52,640,000 | 6,148,911 | - | 2,181,401 | 2,181,401 | 2.81878985 | |
| 2014 | 52,640,000 | * | * | * | * | * | |
| 2013 | * | * | * | * | * | * | |
| 2012 | * | * | * | * | * | * | |
| 2011 | * | * | * | * | * | * | |

Source; District Records

* Coverage ratio not applicable as no debt payment in this fiscal year-bonds issued, but no payments until 2014-2015.

GENERAL INFORMATION

The Johnston Community School District is located in central Iowa within the Des Moines Metropolitan area. Included within the District's 25,344 acres are the cities of Johnston and portions of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 & 80, Iowa Highway 141, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River.



The three major employers within the District are Corteva, Childserve, and John Deere Credit. Corteva is an internationally known producer of hybrid seeds. With over 2,500 employees within the District, Corteva Agriscience was previously the Agriculture Division of DowDuPont (becoming a standalone company June 1, 2019). ChildServe is a not-for-profit organization that partners with families to help children with special health care needs. John Deere Credit provides retail, wholesale and lease financing as well as revolving credit to help facilitate the sale of John Deere agricultural, construction and forestry, and commercial and consumer equipment.

Continuing education centers within commuting distance include: Drake University, Grand View University, Des Moines University, and Mercy College of Health Sciences, all in Des Moines; Iowa State University, Ames; Simpson College, Indianola; and Des Moines Area Community College, Ankeny.

DEMOGRAPHIC AND ECONOMIC STATISTICS**Last Ten Calendar Years**

| Calendar Year | Population * | Personal Income ** | Adjusted Gross Income Per Tax Return ** | Per Capita Personal Income | Unemployment Rate *** - % |
|---------------|--------------|--------------------|---|----------------------------|---------------------------|
| 2020 | 17,278 | N/A | N/A | N/A | 7.1 |
| 2019 | 17,278 | N/A | N/A | N/A | 2.6 |
| 2018 | 17,278 | \$1,521,817,983 | 79,344 | 88,078 | 2.4 |
| 2017 | 17,278 | 1,465,351,140 | 76,400 | 84,810 | 2.9 |
| 2016 | 17,278 | 1,368,506,534 | 71,351 | 79,205 | 3.5 |
| 2015 | 17,278 | 1,310,825,054 | 70,905 | 75,867 | 3.6 |
| 2014 | 17,278 | 1,261,836,335 | 69,557 | 73,031 | 4.4 |
| 2013 | 17,278 | 1,214,695,925 | 68,841 | 70,303 | 4.8 |
| 2012 | 17,278 | 1,154,230,470 | 69,132 | 66,803 | 5.2 |
| 2011 | 17,278 | 1,061,293,731 | 63,566 | 61,425 | 5.7 |

N/A-Not available

* U.S. Department of Commerce, Bureau of Census (2010 was the first census that contains Johnston school district information-it was just city of Johnston information in the past).

**Iowa Department of Revenue

***Iowa Workforce Development annual average county-wide unemployment rate

CENSUS FIGURES BY AGE GROUP - 2010

| | Johnston | Urbandale | Des Moines |
|-------------------|----------|-----------|------------|
| Under 18 years | 28.3% | 24.8% | 24.5% |
| 18 to 24 years | 6.6% | 6.8% | 10.9% |
| 25 to 44 years | 28.5% | 28.3% | 29.0% |
| 45 to 64 years | 26.7% | 27.7% | 24.2% |
| 65 years and over | 9.8% | 12.5% | 11.3% |
| Median Age | 36.8 | 38.1 | 33.8 |

Source: U.S. Department of Commerce, Bureau of Census (2010)

RETAIL SALES (IN MILLIONS)**Last Ten Calendar Years**

| Year ended* | Johnston | Des Moines | Polk County | State |
|-------------|----------|------------|-------------|----------|
| 2020 | N/A | N/A | N/A | N/A |
| 2019 | \$ 175.1 | 4044.7 | 8,762.8 | 40,127.1 |
| 2018 | 170.1 | 3,980.3 | 8,522.3 | 39,330.0 |
| 2017 | 151.4 | 3,851.7 | 8,312.0 | 38,956.5 |
| 2016 | 151.9 | 3,789.2 | 8,073.5 | 38,419.5 |
| 2015 | 139.7 | 3,661.2 | 7,736.2 | 37,526.3 |
| 2014 | 157.2 | 3,439.9 | 7,291.7 | 35,847.6 |
| 2013 | 156.5 | 3,325.4 | 6,970.0 | 34,800.6 |
| 2012 | 159.6 | 3,264.3 | 6,786.9 | 34,538.0 |
| 2011 | 148.6 | 3,195.1 | 6,563.6 | 32,904.0 |

NA - Information not available.

Source: Iowa Department of Revenue & Finance

BANK DEPOSITS

| Institution | June 30, 2020 Deposits inside Market |
|-----------------------|--|
| Community State Bank | \$144,104,000 |
| Wells Fargo Bank | 141,416,000 |
| Charter Bank | 92,231,000 |
| Grinnell State Bank | 75,015,000 |
| Bank of the West | 38,335,000 |
| Bank Iowa | 33,405,000 |
| Liberty National Bank | 21,041,000 |
| ITS Bank | 500,000 |
| | <hr/> <hr/> |
| | \$546,047,000 |

Source: FDIC Deposit Market Share Report, Zip Code 50131

RESIDENTIAL CONSTRUCTION BY NUMBER OF DWELLING UNITS**Last Ten Calendar Years**

| Year | Single Family | Townhome | Multi-family | Totals |
|--------------|---------------|------------|--------------|--------------|
| 2019 | 55 | 14 | 144 | 213 |
| 2018 | 72 | 17 | 118 | 207 |
| 2017 | 68 | 14 | 118 | 200 |
| 2016 | 105 | 18 | 75 | 198 |
| 2015 | 124 | 45 | 395 | 564 |
| 2014 | 86 | 42 | 98 | 226 |
| 2013 | 101 | 23 | 109 | 233 |
| 2012 | 113 | 14 | 275 | 402 |
| 2011 | 139 | 27 | 16 | 182 |
| 2010 | 130 | 24 | 36 | 190 |
| Total | 1,489 | 393 | 1,617 | 3,499 |

Source: City of Johnston Planning Department

DISTRICT STAFFING LEVELS -- General Fund (FTE)
Last Ten Fiscal Years

| | For Fiscal Year ended June 30, | | | | | | | | | |
|---|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
| Administration: | | | | | | | | | | |
| Superintendent | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Assoc. Supt. | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | - | 1.0 | 1.0 |
| Principals | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Assist. Principals | 4.0 | 4.0 | 4.0 | 5.5 | 8.0 | 8.0 | 9.0 | 4.0 | 4.0 | 4.0 |
| Other Admin. | 14.6 | 13.6 | 13.6 | 12.2 | 9.0 | 9.0 | 9.0 | 10.0 | 8.0 | 8.0 |
| Total Administration | 28.6 | 27.6 | 27.6 | 27.7 | 27.0 | 27.0 | 28.0 | 23.0 | 22.0 | 22.0 |
| Supervisors/ Coordinators/Managers | | | | | | | | | | |
| | 2.1 | 2.1 | 2.1 | 1.5 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Instruction: | | | | | | | | | | |
| Teachers | 462.9 | 454.0 | 445.9 | 435.2 | 429.8 | 429.4 | 425.0 | 425.7 | 415.5 | 405.6 |
| Counselors, Deans | 20.0 | 20.0 | 20.0 | 15.0 | 10.0 | 13.0 | 10.5 | 15.5 | 15.5 | 11.5 |
| Media Spec. | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Other Instructors | | - | - | - | - | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Total Instruction | 489.9 | 481.0 | 472.9 | 457.2 | 446.8 | 452.4 | 446.5 | 452.2 | 442.0 | 428.1 |
| Professional/Other | | | | | | | | | | |
| Nurses | 8.0 | 8.0 | 8.5 | 8.5 | 8.5 | 8.0 | 8.0 | 8.0 | 8.3 | 8.3 |
| Other Professional Staff | 7.6 | 7.6 | 7.0 | 8.6 | 8.2 | 5.6 | 5.7 | 6.6 | 6.5 | 8.0 |
| Total Professional/Other | 15.6 | 15.6 | 15.5 | 17.1 | 16.7 | 13.6 | 13.7 | 14.6 | 14.8 | 16.3 |
| Instructional Support Personnel: | | | | | | | | | | |
| | 217.9 | 202.1 | 169.6 | 156.3 | 150.0 | 133.7 | 125.6 | 139.6 | 139.2 | 137.5 |
| Support Personnel: | | | | | | | | | | |
| Office/Clerical | 27.0 | 27.0 | 28.0 | 27.0 | 30.0 | 29.8 | 29.0 | 29.0 | 29.5 | 30.0 |
| Transportation | 16.5 | 12.8 | 14.0 | 12.3 | 54.0 | 49.6 | 51.2 | 47.4 | 55.0 | 52.5 |
| Op. & Maintenance | 53.8 | 52.4 | 46.8 | 43.8 | 45.5 | 42.6 | 40.6 | 42.6 | 42.5 | 42.5 |
| Service Personnel | 7.0 | 7.0 | 6.0 | 6.0 | 6.0 | 5.0 | 5.0 | 4.0 | 4.0 | 4.0 |
| Total Support Personnel | 104.3 | 99.2 | 94.8 | 89.1 | 135.5 | 126.9 | 125.8 | 123.0 | 131.0 | 129.0 |
| Grand Totals | | | | | | | | | | |
| | 858.4 | 827.6 | 782.5 | 748.9 | 779.0 | 756.6 | 742.6 | 755.4 | 752.0 | 735.9 |
| | | | | | | | | | | |
| Certified Enrollment | 7,105.7 | 7,057.6 | 7,074.1 | 6,894.2 | 6,756.1 | 6,616.0 | 6,409.0 | 6,269.0 | 6,148.0 | 6,094.0 |
| Employees/Student | 8.3 | 8.5 | 9.0 | 9.2 | 8.7 | 8.7 | 8.6 | 8.3 | 8.2 | 8.3 |
| Pupil/Teacher | 14.5 | 14.7 | 15.0 | 15.1 | 15.1 | 14.6 | 14.4 | 13.9 | 13.9 | 14.2 |

Source: District Data

OPERATING COST PER PUPIL
Last Ten Fiscal Years

| Fiscal Year | Total Costs | Daily Average Membership | General Fund Operating Expenses Per Pupil | Free or Reduced Percentage |
|-------------|---------------|--------------------------|---|----------------------------|
| 2019-20 | \$ 84,937,989 | 7,113 | \$ 11,941 | 24.40% |
| 2018-19 | 83,095,097 | 7,043 | \$ 11,798 | 24.90% |
| 2017-18 | 78,645,374 | 7,122 | 11,043 | 23.20% |
| 2016-17 | 74,250,082 | 6,975 | 10,645 | 20.60% |
| 2015-16 | 70,676,923 | 6,802 | 10,391 | 18.80% |
| 2014-15 | 68,388,621 | 6,649 | 10,286 | 18.00% |
| 2013-14 | 65,225,022 | 6,564 | 9,937 | 17.60% |
| 2012-13 | 63,484,686 | 6,393 | 9,930 | 17.90% |
| 2011-12 | 60,153,139 | 6,218 | 9,674 | 16.40% |
| 2010-11 | 57,900,225 | 6,185 | 9,361 | 16.60% |

Source: 2020 Certified Annual Report/Student Reporting in Iowa

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GENERAL ANALYSIS OF FACILITIES
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------|---------|---------|---------|---------|---------|
| Elementary Schools: | | | | | | |
| Lawson K-5 (1958, 1960, 1967, 1998, 2012) | | | | | | |
| Square Feet | 82,532 | 82,532 | 82,532 | 82,532 | 82,532 | 82,532 |
| Number of classrooms | 47 | 47 | 47 | 47 | 47 | 47 |
| Enrollment | 628 | 591 | 576 | 581 | 576 | 574 |
| Wallace PK-5 (1987, 1989) | | | | | | |
| Square Feet | | | 66,064 | 66,064 | 66,064 | 66,064 |
| Number of classrooms | | | 44 | 44 | 44 | 44 |
| Enrollment | | | 595 | 544 | 509 | 550 |
| Wallace PK-5 (1984, 1990, 2007, 2018-Previous JMS) | | | | | | |
| Square Feet | 164,722 | 164,722 | | | | |
| Number of classrooms | 44 | 44 | | | | |
| Enrollment | 910 | 868 | | | | |
| Beaver Creek K-5 (1997, 2001) | | | | | | |
| Square Feet | 96,125 | 96,125 | 96,125 | 96,125 | 96,125 | 96,125 |
| Number of classrooms | 45 | 45 | 45 | 45 | 45 | 45 |
| Enrollment | 601 | 620 | 661 | 649 | 641 | 695 |
| Horizon K-5 (2001) | | | | | | |
| Square Feet | 100,506 | 100,506 | 100,506 | 100,506 | 100,506 | 100,506 |
| Number of classrooms | 44 | 44 | 44 | 44 | 44 | 44 |
| Enrollment | 664 | 671 | 662 | 641 | 657 | 665 |
| Timber Ridge K-5 (2007, 2013) | | | | | | |
| Square Feet | 122,181 | 122,181 | 122,181 | 122,181 | 122,181 | 122,181 |
| Number of classrooms | 48 | 48 | 48 | 48 | 48 | 48 |
| Enrollment | 670 | 660 | 735 | 718 | 705 | 707 |
| Middle Schools: | | | | | | |
| Summit Middle School 6-7 (2004, 2007, 2012) | | | | | | |
| Square Feet | 191,680 | 191,680 | 191,680 | 191,680 | 191,680 | 191,680 |
| Number of classrooms | 75 | 75 | 75 | 75 | 75 | 75 |
| Enrollment | 1,112 | 1,103 | 1,122 | 1,112 | 1,095 | 1,052 |
| Johnston Middle School (1984,1990,2007) | | | | | | |
| Square Feet | | | | 176,366 | 176,366 | 176,366 |
| Number of classrooms | | | | 68 | 68 | 68 |
| Enrollment | | | | 1,078 | 1,050 | 1,042 |
| Johnston Middle School (1972,1977,1994,2008, 2017-Previous JHS) | | | | | | |
| Square Feet | 263,829 | 263,829 | 263,829 | | | |
| Number of classrooms | 88 | 88 | 88 | | | |
| Enrollment | 1,159 | 1,166 | 1,146 | | | |
| High School: | | | | | | |
| Johnston High School (1972, 1977, 1994, 2008) | | | | | | |
| Square Feet | | | | 263,829 | 263,829 | 263,829 |
| Number of classrooms | | | | 88 | 88 | 88 |
| Enrollment | | | | 1,590 | 1,569 | 1,557 |
| High School: | | | | | | |
| Johnston High School (2017) | | | | | | |
| Square Feet | 369,000 | 369,000 | 369,000 | | | |
| Number of classrooms | 88 | 88 | 88 | | | |
| Enrollment | 1,725 | 1,679 | 1,623 | | | |
| Other facilities: | | | | | | |
| Administrative Resource Center (Previous DO-unoccupied) | | | | | | |
| Square Feet | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 | 16,509 |
| District Office (Previous Wallace PK-5 1987,1989,2019) | | | | | | |
| Square Feet-Renovated Space | 36,305 | | | | | |
| Square Feet-Unrenovated/Unoccupied | 29,759 | | | | | |
| Transportation and BG (2000, 2007) | | | | | | |
| Square Feet | 17,040 | 17,040 | 17,040 | 17,040 | 17,040 | 17,040 |
| Wallace Annex (1987) | | | | | | |
| Square Feet | 5,405 | 5,405 | 5,405 | 5,405 | 5,405 | 5,405 |
| Number of classrooms | 3 | 3 | 3 | 3 | 3 | 3 |
| Warehouse (2000) and BG (2010) | | | | | | |
| Square Feet | 7,935 | 7,935 | 7,935 | 7,935 | 7,935 | 7,935 |

Source: District Information

The new High School opened fall 2017, and Johnston Middle School then moved into the old High School Building. The previous Johnston Middle School Building underwent renovatic year 2017-2018 and opened fall 2018-2019 as Wallace Elementary/Johnston Early Learning Academy. The previous Wallace Elementary underwent renovations 2019, and became the fall 2019.

| 2014 | 2013 | 2012 | 2011 |
|---------|---------|---------|---------|
| 82,532 | 82,532 | 82,532 | 63,353 |
| 47 | 47 | 47 | 38 |
| 692 | 615 | 478 | 492 |
| 66,064 | 66,064 | 66,064 | 66,064 |
| 44 | 44 | 44 | 44 |
| 567 | 513 | 536 | 563 |
| 96,125 | 96,125 | 96,125 | 96,125 |
| 45 | 45 | 45 | 45 |
| 723 | 767 | 846 | 796 |
| 100,506 | 100,506 | 100,506 | 100,506 |
| 44 | 44 | 44 | 44 |
| 701 | 729 | 686 | 702 |
| 122,181 | 116,681 | 111,281 | 111,281 |
| 48 | 48 | 42 | 42 |
| 537 | 505 | 536 | 548 |
| 191,680 | 191,680 | 191,680 | 184,680 |
| 75 | 75 | 75 | 66 |
| 1,026 | 1,017 | 1,007 | 968 |
| 176,366 | 176,366 | 176,366 | 176,366 |
| 68 | 68 | 68 | 68 |
| 1,026 | 999 | 972 | 947 |
| 263,829 | 263,829 | 263,829 | 263,829 |
| 88 | 88 | 88 | 88 |
| 1,450 | 1,360 | 1,310 | 1,292 |
| 16,509 | 16,509 | 16,509 | 16,509 |
| 17,040 | 17,040 | 17,040 | 17,040 |
| 5,405 | 5,405 | 5,405 | 5,405 |
| 3 | 3 | 3 | 3 |
| 7,935 | 7,935 | 7,935 | 7,935 |

ons during fiscal
 District Office

SCHEDULE OF INSURANCE COVERAGE
June 30, 2020

| Company | Type of Policy | Period | |
|----------------------------|---|----------|-----------|
| | | From | To |
| Employers Mutual Companies | Business Protection - property coverage | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Business Protection - General Comprehensive Liability | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Business Protection - Automobile | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Business Protection- Crime Coverage | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Workers' Compensation | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Umbrella Liability | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Linebacker Policy - Errors and Omission Coverage | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Pollution Liability | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Excess Liability | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Flood | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Cyber Liability | 7/1/2019 | 6/30/2020 |
| Employers Mutual Companies | Builders Risk | 7/1/2019 | 6/30/2020 |

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2020.

| Liability Limits | Annual Premium |
|--|----------------|
| Building and property replacement; blanket boiler and vessels - business interruption and extra expense, earthquake | \$ 341,304 |
| \$2,000,000 each occurrence/\$4,000,000 aggregate/Abuse and Molestation Coverage incl./ Schedule Affiliate Groups included as additional insureds school violet event coverage \$100,000 | 39,286 |
| \$2,000,000 combined single limit/Uninsured and Underinsured motorist/\$5,000 auto medical per person; compr and collision/\$50,000 limit garage keepers at HS | 28,568 |
| Employee Theft per employee \$1,000,000; forgery or alterations \$100,000; Computer Fraud \$1,000,000; Funds Transfer fraud \$1,000,000 | 4,973 |
| Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence | 103,751 |
| \$12,000,000 each occurrence and aggregate/\$10,000 retained limit | 18,424 |
| \$2,000,000 Linebacker each loss & agg/additional insureds/ \$5,000 deductible | 10,386 |
| \$500,000 each incident, \$1,000,000 aggregate/\$250 deductible | 1,125 |
| \$15,000,000 limit each occurrence/aggregate/limit shared by all IASB policy holders | 13,165 |
| HS, SM, MS, BC, HZ, LW, TR, WL, Transportation/B&G, and DO | 37,755 |
| \$2,000,000 each loss and aggregate/\$25,000 retention each loss | 13,635 |
| Baseball/Softball/District Office | 6,374 |
| Total Premium | \$ 618,746 |

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Johnston Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

| Grantor/Program | CFDA Number | Grant Number | Expenditures |
|---|----------------|-----------------|--------------|
| Indirect: | | | |
| U.S. Department of Agriculture: | | | |
| Iowa Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | FY20 | \$ 124,995 |
| National School Lunch Program | 10.555 | FY20 | 848,286 |
| USDA Child Nutrition Program CARES grants to States | 10.555 | FY20 | 453,641 |
| Summer Food Service Program for Children | 10.559 | FY20 | 10,985 |
| | | | 1,437,907 |
| U.S. Department of Education: | | | |
| Iowa Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | FY20 | 345,310 |
| Title I Program for Neglected & Delinquent Children | 84.010 | FY20 | 68,925 |
| Career and Technical Education - Basic Grants to States | 84.048 | FY20 | 46,071 |
| Title III - English Language Acquisition | 84.365 | FY20 | 13,654 |
| Supporting Effective Instruction State Grants | 84.367 | FY20 | 4,755 |
| Title IV - Student Support and Academic Enrichment | 84.424 | FY20 | 39,280 |
| Education Stabilization Fund (ESSER Fund) | 84.425 | FY20 | 238,368 |
| Heartland Area Education Agency | | | |
| Special Education - Grants to States | 84.027 | FY20 | 388,507 |
| | | | 1,144,870 |
| U.S. Department of Human Services: | | | |
| Iowa Department of Human Services: | | | |
| Childcare Development Block Grant | 93.575 | FY20 | 11,500 |
| Total | | | \$ 2,594,277 |

See Notes to Schedule of Expenditures of Federal Awards.

Johnston Community School District
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Johnston Community School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Johnston Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Johnston Community School District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Johnston Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

Note 4. Noncash Assistance

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$204,895 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, CFDA No. 10.555.



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Van Maanen, Sietstra, Meyer & Nikkel, PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Education of
Johnston Community School District:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Johnston Community School District, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Johnston Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnston Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnston Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters which are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Johnston School District's Responses to the Findings

Johnston Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Johnston Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Johnston Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

November 10, 2020



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Education of Johnston Community School District:

Report on Compliance for Each Major Federal Program

We have audited Johnston Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Johnston Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Johnston Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Johnston Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Johnston Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The management of Johnston Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Johnston Community School District's internal control over compliance with type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Van Maanen, Sietstra, Meyer & Nikkel PC

Van Maanen, Sietstra, Meyer & Nikkel, PC
Certified Public Accountants

November 10, 2020

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516(a).
- (g) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.555 – USDA Child Nutrition Program CARES Grants to States
 - CFDA Number 10.559 - Summer Food Program for Children
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Johnston Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

**Johnston Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2020**

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-20 Certified Budget – Expenditures for the year ended June 30, 2020 did not exceed the certified budget amounts.
- IV-B-20 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-20 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-20 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-20 Restricted Donor Activity – No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- IV-F-20 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-G-20 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-H-20 Certified Enrollment – Variances in the basic enrollment data certified to the Iowa Department of Education were noted.

Recommendation – The certified enrollment data should be corrected.

Response – The Iowa Department of Education and the Iowa Department of Management will be notified of the error.

Conclusion – Response accepted.
- IV-I-20 Supplementary Weighting – Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

Recommendation – The supplementary weighting data should be corrected.

Response – The Iowa Department of Education and the Iowa Department of Management will be notified of the error.

Conclusion – Response accepted
- IV-J-20 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-K-20 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-L-20 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

**Johnston Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2020**

IV-M-20 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Statewide sales, services and use tax

| | | | |
|------------------------------------|----|-----------|-------------------|
| Beginning balance | | \$ | 11,457,409 |
| Revenues/transfers in: | | | |
| Sales tax revenues | \$ | 7,313,864 | |
| Other local revenues | | 135,200 | |
| Lease issuance | | 1,721,703 | 9,170,767 |
| | | | <u>20,628,176</u> |
| Expenditures/transfers out | | | |
| School infrastructure construction | | 4,788,127 | |
| Regular instruction | | 1,958,697 | |
| Instructional staff services | | 812,446 | |
| Administration | | 140,255 | |
| Plant and operation maintenance | | 105,457 | |
| Debt service | | - | |
| Transfers to other funds: | | | |
| Debt service funds | | 5,291,024 | 13,096,006 |
| | | | <u>7,532,170</u> |
| Ending balance | | \$ | <u>7,532,170</u> |

For the year ended June 30, 2020, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-N-20 Deficit Balances – The Community Education Fund and the Community Preschool Fund had deficit balances at June 30, 2020.

Recommendation – The District should continue to investigate alternatives to eliminate this deficit in order to return this fund to a sound financial condition.

Response – The District is continuing to investigate alternatives to minimize the deficit in the Community Education Fund and the Community Preschool Fund at the end of the fiscal year.

This deficit in the Enterprise, Community Education Fund's net pension liability (approximately \$1.4 million) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

This deficit in the Enterprise, Community Preschool Fund results from recognizing the net pension liability (approximately \$150,000) as required by generally accepted auditing principles and is based on the District's employer share of contributions to IPERS relative to the contributions of all IPERS participating employers. This liability is only payable as the District pays the District's employer share of IPERS contributions on payrolls in the future years.

The deficits in both Enterprise Funds increased substantially this fiscal year due to the COVID pandemic school closure resulting in a disruption of revenues with continued expenditures.

Conclusion – Response accepted.